



# GREECE

## COUNTRY REPORT

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The Local World Collection seeks to describe and analyse the evolution in local government in various countries of the world and to highlight the latest trends in the debate in this field. International experts aim to provide readers with an in-depth discussion of some of the most prominent issues in local government today: local electoral systems, the principle of subsidiarity, the strengthening of the cities, civil participation, territorial organisation, etc.

The Local World Collection aims to further the debate and analysis of the evolution of our local government systems into the XXI century.

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## INTRODUCTION

The Hellenic Republic is a unitary state characterized by a strong centralist tradition. Not only major, but also sometimes even minor decisions tend to be taken at the highest administrative or political level. Some of the major delivery systems, such as public education, public health services and social protection are still under the -nearly total- control of the central government. In addition, legislation and regulation often go into great detail. Standards laid down a long time ago remain in force, being amended several times because circumstances have made them obsolete, thus increasing the complexity of legislation. This situation hinders the application of formal regulations, especially by lower levels and smaller entities and authorities, which tend to use several tools of improvisation and develop informal practices and networks of coordination in order to fulfill their duties.

However, Greece has developed a formally deconcentrated state structure. Today, the 13 Regions ("Periferia") constitute the main units of decentralized state administration and many of the non-central state authorities are gathered at the regional level. These *Periferiaie* (regions) are directed by government-appointed officials, the Secretary Generals of the Region. Since 1994, a two-tier system of local government, comprising elected bodies, has been established, composed by the 50 "Prefectoral Self-Governments" ("*Nomarhiakes Autodiekeis*") at the prefectural level (the so-called territorial division of the "nomos"), and of the 1003 *demoi* and *koinotites* (900 urban municipalities and 133 rural communes) at the local level.

During the last decades, several reform efforts tried to promote decentralisation and modernise public administration. Nevertheless, there is still a typical south-European primacy of politics that tends to dominate these efforts: Political criteria still seem to define the horizons of the reforming procedures, while service performance is not a matter of top priority. Efficiency reform is rather a matter of state administration, while at the local level it seems to concern a highly visible, but rather small group of modernizers, in a country where local government is not the main provider of welfare services. The traditionally majoritarian and often polarising political system is characterised by strong representation and is not in favour of active citizens. Civil society is weak and undermined by party politicisation, while local participatory reforms would not really emancipate the citizen, since the most important decisions on local community matters are still taken in Athens or at the regional level.

On the other hand, Greek local government has gone through rigid amalgamations that gave it a viable territorial basis, while the local government's share of functions, resources and power has kept growing since the early eighties. The ideology of "democratisation" through decentralisation and devolution of power, the growing demands of the citizens and major socio-economic changes within the country, as well as the "external" pressures of

“europeanisation” and “globalisation” give us some explanations for the fact that Greek local government, in its own peculiar way, is slowly moving towards convergence with the European (and the international) context.

## 1. HISTORICAL BACKGROUND

Local self-government has a long tradition in Greece that can be traced back to the middle Ages. During the long period of foreign domination, the "Greek communitarian spirit" contributed strongly to the survival of the nation. By the beginning of the nineteenth century, the Greek communes ("koinotites"), which had been tolerated -if not supported- by the Ottoman occupants for their own interest, had reached a high level of autonomy. In many cases, quasi-democratic structures were familiar to them and every year general elections for the head of the community took place.

However, these "ancestors of Greek statehood", who instructed the occupied nation in politics and the secular elite in administration, built up a major handicap for the consolidation of a unitary national state during the liberal struggle for independence, as the so-called *first Greek Republic* (1821-1832) was established. Governor *Ioannis Kapodistrias* tried to unite the revolted country in an authoritarian way but failed. In a country used to numerous centres of power, no such centre could accept the rule of the national government (Clogg 1992: 47). The iron hand of the Bavarian regents was the only one that managed to abolish these thousands of historical communes (the so-called "koinotites", in 1833) and unify them in some 450 *Demoi* (municipalities). These new *Demoi* had much less responsibilities than the old communes and were obliged to process state affairs in their district. Furthermore, the territory of the new-born state had been divided, according to the French model, in 10 prefectural districts ("nomoi"). The prefects were appointed by the King and were responsible to supervise the municipalities. In this way, the formation of the Modern Greek state (in 1833) has been connected from the very beginning to the imposition of centralism and the abandonment of an old self-government tradition.

Although the *Demoi* never managed to obtain a major part of administrative power, their political importance has been constantly growing. Being already during the period of absolute monarchy (1833-1843) an institution based on the vote of the people, they gradually won a key-role inside the political system of the country. Right after the victory of Constitutionalism (1844), local self-government was established as an important arena for party competition and an indispensable source of democratic legitimacy. Especially after the introduction -for the first time in Europe- of universal suffrage (1864), the directly elected mayors could further fortify their influence. Using the techniques of clientelism, local politicians became so powerful that members of Parliament would hardly dare to ignore mayors of their constituency.

In 1912 the innovative liberal statesman Eleftherios Venizelos, trying to oppose clientelism and corruption but also following a current ideology that demanded the return "back to the roots of Hellenism", ordered the revival of the communes ("koinotites"). The MP's have been, in this manner, liberated from the mayors but local government has been fragmented to 6.000 units of demoi (cities and towns of more than 10.000 inhabitants) and communes (the smaller towns and villages) -the latter depending on state grants. Venizelos originally planned to "municipalize" the prefectures and remove the core of local government to this higher level. Due to political circumstances, but also to the lack of resources, these plans fell through, although the republican constitutions of the twenties (1925, 1927) foresaw "at least two tiers of local government". For the next decades, the municipalities have been constantly losing competence. Most of them were much too small and were depending on central government grants in order to be able to survive. On the other hand, the prefectures and several state quangos took over the main functions of local administration. The so-called "*deconcentration-system*" has been substantially strengthened. According to Greek understanding, such a system is established when the central state creates non-central administrative units and entitles them to decide about a considerable part of public affairs within their district. These deconcentrated units are to be distinguished from municipalities since their heads -opposite to the mayors- are appointed by the government. The latter was usually much more willing to hand over competence to the politically faithful "decentralised" prefects than to the mayors. Local government declined into a useful protest platform for political parties in opposition and a provider of elementary services. Furthermore, municipalities have been subjugated to numerous and intensive controls from central and prefectural bureaucracies.

### **Syntesis**

- The formation of the Modern Greek state (in 1833) has been connected from the very beginning to the imposition of centralism and the abandonment of an old self-government tradition.
- Right after the victory of Constitutionalism (1844), local self-government was established as an important arena for party competition and an indispensable source of democratic legitimacy
- Since 1912, local government has been fragmented to 6.000 units, mostly depending on state grants
- After World War II, local government declined into a useful protest platform for political parties in opposition and a provider of elementary services

## 2. A BURDEN FOR THE YOUNG DEMOCRACY: THE CENTRALIST TRADITION

After the fall of the dictatorship (1967-1974), Greece was the only one out of the three young southern European Democracies that could simply bring back a political elite, which had been “suspended for a few years”<sup>1</sup>. In Greece, the French model of the accumulation of mandates had never been accepted and a clear distinction between the “national” (MP’s, Ministers) and the “local” (Mayors, Councillors) political personnel had been made. Both categories were important for the kind of “backstage localism” that characterised Greek politics and rounded off the majoritarian, polarised and strictly representative political system of the country. The rest of the scene, however, was not the same. The country had been further urbanised (more than 15% of the total population had moved to the big cities) and industrialised, while tourism grew rapidly in several formerly agricultural regions. An important part of public opinion (especially the youth) had been radicalised, while authoritarian attitudes were widely discredited. The political parties could not simply lean upon the traditional personal networks. Following the example of the rising socialist party, even the liberal conservatives have been forced to build up a strong party organisation, so that all the main political parties transformed into “mass parties” with many cadres. It was just a question of time, before the distinction between “national” and “local” political careers would be put into question.

The fall of the military junta marked the beginning of an overall effort to democratise and reform the authoritarian, highly centralised state. The new constitution (1975) consolidated the “decentralisation system” (art. 101), while the local governmental bodies became solely responsible for local affairs (art. 102) and the central government was supposed to maintain only the competence for national affairs, such as defence, monetary policy and industrial development

During the seventies, public opinion connected centralism to the authoritarian and paternalistic attributes of the post-civil-war Greek State (1950-1974). The dominating ideology of “democratisation”, had placed the overcoming of centralism among the top issues of its reform-agenda. Furthermore, a widespread populist fiction blamed the “athens-centric-state” for the plight of the province. The conservative governments of the seventies tried to cope with this disaffection by increasing public spending for the province, and by encouraging (through incentives and tax exemptions) private investment in the so-called “neglected part of Greece”. But, during an early “consolidation phase” there was no major reform of public administration. Just like before the dictatorship, the country’s single-tier-system of local government was suffering from extreme fragmentation: More than 80% of the 5.774 rural municipalities, had

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<sup>1</sup> Right after their coup d’Etat, the colonels often used similar expressions, referring to the country’s politicians. Later on, they demonstrated their will to create a new, “non-corrupted” political elite.



less than 1.000 inhabitants (60% had less than 500) and represented less than 20% of the total population, while falling birth-rates and ongoing emigration to the cities was aggravating the situation. In more than 300 cases, the so-called “single-purpose syndicates” of rural municipalities provided joint services, such as refuse collection, sewerage, water and irrigation, without satisfactory results, due to localist disputes, but also to the supervising state authorities that failed to respond.

Some of the local problems in rural areas (roads, schools, land reclamation etc.) could only be faced by the field offices of the responsible Ministries, which were gathered in each one of the country’s 54 Prefectures (“Nomarchies”). The latter were deconcentrated “peripheral” units of state administration, headed by the Prefect (“Nomarch”), who represented the government within the territory of the Prefecture, the so-called “nomos”. The mobilisation of this over-stretched, poorly co-ordinated and sector-oriented machinery could only be stimulated through informal, clientelistic, localist, sectional or personal networks. Keeping in touch with these networks in favour of their villages and their citizens, used to be a major task of rural mayors, while the local MP’s, (whose constituencies coincide with the “nomos”-division)<sup>2</sup>, acted as the necessary link to the decision-makers in the capital. The vicious circle of economic plight and depopulation could not be stopped, however, through this typical southern-european clientelism, that could only offer occasional local solutions and achieve generous tax-exemptions for farmers (Dertilis 1993), as well as an amazing over-representation of people coming from rural areas in the personnel of public administration...

Local government in the cities faced different problems, as the urban infrastructure could not keep in step with the rapid demographic and economic growth (Pagoulatos 2002: 17). After the war, all the significant local taxes had gradually been transferred to the central authorities<sup>3</sup>, while state grants constantly increased in importance, and were often used as tools of influence by the government, thus creating an uncertain environment. On the other hand, urban municipalities hesitated to increase charges imposed on their inhabitants for local services (water supply, refuse collection etc.), not only because that would be an unpopular option, but also because tax-exemptions for farmers and the notorious tax evasion of self-employed people had led to over-taxation of employees (the latter making up less than half of the active population). Anyhow, the municipalities were limited to a few basic functions and delegated residual tasks, while local initiatives were put down through rigid central regulations. The latter were not only the outcome of a legalistic tradition, but could also be traced back to the elementary lack of trust and “social capital” within the Greek society (Hlepas 1999: 192).

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<sup>2</sup> With the exception of the metropolitan areas of Athens and Thessaloniki, where there are more constituencies within the borders of the nomos-territory.

<sup>3</sup> According to figures presented by Christofilopoulou (1991: 553), the Revenue of Local Government Authorities as a percentage of state revenue had fallen., between 1948 and 1974 from 6,1% to 3,7%.

State administration was notorious for inefficiency and instability, lack of cohesion and absence of transparency. Extreme party politicisation, unreasonable procedures that oppressed the public, low ethics of public servants and growing corruption were disappointing the citizenry. An overwhelming majority believed<sup>4</sup> that public administration would become friendlier to the citizen, if a great number of responsibilities were delegated to the municipalities. On the other hand, central governments had a vital interest in getting rid of cost- and public- intensive responsibilities. Furthermore, public demand for welfare services was rapidly growing<sup>5</sup>. Demographic changes, geographical mobility and the mass entry of women into the labour market could only be partially dealt with by the traditional networks of social solidarity -even the monolith of the Greek family seemed to crack. Everyday life in the cities was suffering from acute environmental crisis and chaotic traffic. To a great extent, central governments tried to respond through “quangoization”. But this was an option that increased complexity, impeded synergy and diminished political accountability. Devolution of power and responsibilities to the municipalities seemed to be a more appropriate solution.

**Synopsis**

- The fall of the military junta marked the beginning of an overall effort to democratise and reform the authoritarian, highly centralised state.
- Some of the local problems in rural areas (roads, schools, land reclamation etc.) could only be faced by the field offices of the responsible Ministries, which were gathered in each one of the country's 54 Prefectures (“Nomarchies”).
- Local government in the cities faced different problems, as the urban infrastructure could not keep in step with the rapid demographic and economic growth.
- State administration was notorious for inefficiency and instability, lack of cohesion and absence of transparency.

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<sup>4</sup> See National University of Athens, Department of Political Science and Public Administration: Survey on island administration. Research report (unpubl.) 1999.

### 3. THE CONSTITUTIONAL FRAMEWORK

The Constitution of 1975 ensured the *twofold* incorporation of the local government corporations into the democratic system of government: on the one hand, democratic procedures and rules for the putting into practice of *popular sovereignty* at a local level were introduced (Article 102, II); on the other, the Constitution itself defined, directly and without 'reservation of law', a significant part of the executive function, that is, the management ('administration') of *local affairs* as the field of responsibility of the local government corporations (Article 102 I). Thus, local government could be described as a junction of local *policy* and local *administration* (Spyropoulos 1995: 117). The Constitution clearly presupposed a *balanced relation* between these two fundamental constituents of the institution. The *decision-making competences* and the *actual conditions* for action on the part of the local government as to "local affairs" should, consequently, be formulated in such a way as to render possible the *formation of an individual 'local political will' and its transformation into acts of management of common (public) local interests*.

By the differentiation made between *general* and *local* public affairs, taken in conjunction with the provision for the operation of *multi-level* local government ("other levels", Article 102 I), the conditions have been laid down for the *restriction* of the competence of *state* administration, *stricto sensu*, and therefore of the share of the executive power which this possesses. In view, moreover, of the identification of the parliamentary majority with central government, and of the magnitude of the resources and activities controlled by it, such restrictions on the power of the national state and, by extension, on the governing party are obviously useful for a smooth and balanced running of the democratic political system. Local government can distribute important shares of the executive power to a wide spectrum of political forces, thus creating new mechanisms of 'checks and balances' within the unitary state and ensuring local effort of alternative proposals for the management of political power (Hlepas 2001b: 63).

The Constitution of 1975 was characterized by particularly detailed regulations on local government (only the Republican Constitution of 1925/27 contained such extensive provisions on the matter), which, however, left very wide margins for the options of the ordinary legislator. He is, however, restricted today by the provisions, with force superior to that of domestic legislation (Article 28 of the Constitution), of international and European law. It is worth noting in particular the 'European Charter of Local Self-Government' (ECLA), which was ratified by Act 1850/1989. According to its provisions, *indirect* election of municipal authorities can only now be introduced for 'executive' organs (Article 3, III), while the 'right' of local organizations to 'adequate resources of their own' of which they 'dispose freely' and which must be

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<sup>5</sup> During the previous decades, rapid economic development and urbanisation had not been followed "by the development of a welfare state and a corresponding increase in local social services": (Christofilopoulou 1991: 554).

'proportionate to their competence' (Article 9, I and II) is reinforced. According to the Greek Constitution of 1975, however, the Local Government Authorities did not enjoy self-sufficiency in terms of taxation (Article 78 of the Constitution, so called "taxation monopoly" of the state), and thus the Constitution (Article 102, par. VI) imposed on the State the duty of 'concerning itself' to ensure the necessary resources.

After the last amendment (2001), the new version of Article 102 of the Constitution provides that there are two levels of local government (without saying who they are), and states that the exercise of certain state powers may be delegated to local authorities by law, provided that the corresponding resources are also transferred (par. 1). There is no doubt, that the influence of local government is strengthened through the exercise of state responsibilities. State administrative duties, such as civil registry, issuing of certificates, and holding of elections have been carried out by local government agencies since the beginning of the 19<sup>th</sup> century, right after the establishment of a Modern Greek state. According to legal doctrine, local government corporations act then as "deconcentrated" organs of state administration ("functional duplication").

The new version of the Constitution explicitly allows the establishment by law of obligatory municipal syndicates (associations) that could overtake a series of municipal or/and prefectural duties (and not simply the provision of services or the construction of public works, as provided by the old Constitution). Furthermore, the boards of these syndicates should consist of "elected persons" (Art. 102 par. III) as members, while the old Constitution provided the representation of all member municipalities at the syndicate's board. It is obvious that this amendment has been made in order to facilitate the creation of "strong" municipal syndicates, able to face complex issues and take difficult decisions, especially in the metropolitan areas of the country. Furthermore, It should be pointed out, that the amended Constitution has foreseen (Art. 102 V), for the first time in Modern Greek history, that local authorities will be able to impose local taxes, while the state will have to transfer the necessary funds whenever local authorities are obliged by law to overtake a new responsibility. An additional emphasis on local "fiscal autonomy" has been made (par. 5), while the principle of transparency has explicitly been introduced for local fiscal management.

The Constitution, however, does not only refer to local self-government, but also to the organisation of state administration. According to Art. 101 I, "the administration of the state is organised according to the system of deconcentration". Geo-economic, social and transport conditions are the criteria for the administrative-territorial division of the country (Art. 101 II). The administration has to take into account the special circumstances in the islands. Non-central (« peripheral») state organs "have general decisive authority on "peripheral" matters, while central organs exercise general guidance, co-ordination and legal supervision over peripheral organs (Art. 101 III).

While in some countries it is considered that it is not necessary for the government to set up field offices of its own, the prevailing view in Greece argues that the implementation of major government policies and their adaptation to local circumstances should be entrusted to deconcentrated state administration, thus safeguarding an unbroken line of unitary political responsibility and control through the government supported by the national parliament. This is the reason, that the Constitution itself (Art. 101) establishes a state administration system that is based “on deconcentration” and provides the existence, all over the country, of deconcentrated units, in favour of which a presumption of competence for “peripheral” state (not local) affairs is introduced (Art. 101 III).

**Synopsis**

- Local government could be described as a junction of local policy and local administration
- Local government can distribute important shares of the executive power to a wide spectrum of political forces, thus creating new mechanisms of 'checks and balances' within the unitary state and ensuring local effort of alternative proposals for the management of political power.
- While in some countries it is considered that it is not necessary for the government to set up field offices of its own, the prevailing view in Greece argues that the implementation of government policies should be entrusted to deconcentrated state administration, thus safeguarding an unbroken line of unitary political responsibility and control.

#### 4. THE EIGHTIES: A "FIRST WAVE OF REFORMS"

The year 1980 was the starting mark for several reform efforts. The municipalities have been proclaimed to be an institution intending to promote local development and were allowed to create profit-making enterprises. The management of water and sewage was handed over to flexibly organized, specially created enterprises called Municipal Enterprises of Water and Sewage (Christofilopoulou 1994: 3). During the early eighties (it was the so-called "first wave of reforms"), local authorities were declared able to provide social services and were encouraged to promote sporting and cultural activities. Local protection of the environment, urban development, as well as permit issuing and supervising responsibilities for local businesses and trade were some of the duties delegated to local government. Several functions (urban transportation, nurseries, maintenance of schools) were transferred from the central state to the local government, new institutions for inter-municipal co-operation were introduced and the discretionary power of municipalities was enlarged through abolition of a priori prefectural and other state controls.

Nonetheless, the revenues of the municipalities remained inadequate for their tasks, so that they still depended on grants from the state. In 1989, the system of municipal revenue was reformed. Most of the state grants were abolished and substituted by a new system based on the so-called "central autonomous funds"<sup>6</sup>. The latter comprised a proportion of certain government revenues (such as 20% of income tax, 50% of traffic duties etc.), which would be distributed among the municipalities according to objective criteria (such as the population), thus nearly eliminating the power of the government to use state grants as tools of pressure and influence. Furthermore, a growing number of municipalities were becoming familiar with the chances offered by European initiatives and programmes, international networking and public-private-partnership, so that traditional dependence on government funds could further be reduced.

During the eighties, traditional attitude was also supposed to change through new institutions that would promote the -sometimes even direct- participation of the citizens in municipal affairs. In the big cities, neighborhood or "departmental", directly elected councils have been established. In municipalities with less than 10,000 inhabitants the mayor would now be able to convoke the local citizen's assembly in order to discuss serious local problems. In many smaller municipalities this local assembly was also convoked every year in May and the mayor reported in front of the citizens' assembly about his work during the previous months. In some cases, local referenda have been de-facto practised during this period. Pretty soon, these institutions turned out to be some kind of a playground for party members and well-organised minorities, while most of the citizens simply kept away. In many cases people's assemblies

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<sup>6</sup> See below, chapter 10

and local referenda have been used in order to express local disappointment about state decisions. By the end of the eighties, such institutions and practices seemed, in terms of public interest and mobilisation, already to decline. There was more success with some other, special laws that foresaw the local citizens' right to be informed about new building projects, urban development and planning, environmental impact assessments and environmental projects concerning their district. Furthermore, every citizen could refer to the council and present his opinion or ask for information about local affairs.

New duties, additional funds and new modes of participation, however, would not substantially affect the overwhelming majority of local authorities, since smaller municipalities were not able to carry out their new duties. By 1984, it was decided to deal with this problem in two ways: By encouraging through grants and other incentives free-willing amalgamations of smaller communes to Demoi on one hand, and by creating new, "stronger" types of municipal syndicates ("development syndicates", replaced by "district councils" in 1994) on the other hand. The results of these efforts were not considered as satisfactory. Some years later, only 367 small communes (less than 10% of the target group) corresponded to the state incentives, have been voluntarily amalgamated and transformed themselves into 108 Demoi, while the new types of syndicates did not live up to the expectations. New types of inter-municipal co-operation (public contracting etc.)<sup>7</sup> were also introduced, but this did not prove to be enough either. Furthermore, the absence of a higher (second) tier of local government deprived the municipalities of an important supporting institution, since the 54 state prefectures had been proven incapable of filling this gap.

In the cities, no important changes in internal administration and staffing were introduced, while the new system of state grants ("autonomous funds") was not in favour of local political accountability. Several busybody mayors neglected strategic policy-making in favour of clientelistic networking. By the early nineties, disappointment with such practices sometimes led to disillusionment about local government, but this turned out to be the mark of a second reform era.

### **Synopsis**

-During the so-called "first wave of reforms", local authorities were declared able to provide social services and were encouraged to promote cultural activities and local economic development

-In 1989, the system of municipal revenue was reformed, thus nearly eliminating the power of the government to use state grants as tools of pressure and influence.

-A growing number of municipalities were becoming familiar with the chances offered by European initiatives and programmes, international networking and public-private-partnership

-Traditional attitude was also supposed to change through new institutions that would promote the participation of the citizens in municipal affairs

## 5. FROM A SINGLE TO A TWO-TIER SYSTEM OF LOCAL GOVERNMENT

Efforts to establish a directly elected representative body next to the Prefect ("Nomarch") are more than a hundred years old. In 1887, the innovative statesman Charilaos Trikoupis established "prefectural councils", considering them a vehicle for liberty in the province and a "first step for the democratisation of the whole administration system". Just three years later, the opposition party that came into power abolished these councils. Several laws targeting the transformation of the prefectures into local government corporations were passed later (1887, 1899, 1923) but none of them has been enforced in fact. In 1982, an indirectly elected "prefectural council" was established but the Prefectures remained "deconcentrated" state institutions. New attempts of "municipalization" failed twice (1986 and 1990), until finally in 1994 the 164-years-old state institution was transformed into a second tier of local government. The country's "decentralisation system" should, from now on, get gradually orientated towards the 13 state regions, which had been established since 1987<sup>8</sup>.

So it was in 1994, while competition for succession to the leadership of the governing socialist party smouldered backstage, that one of the main entrants, who was the Secretary General of the Party and at the same time Minister of the Interior, introduced an institution that seemed to give new chances to unsatisfied party cadres: The so-called "Prefectural Self-Governments" (PSG) were established. The prefectures, which had been acting as units of state administration since 1833, were "municipalised" as a whole, prefects and prefectural councils were directly elected in October 1994, while funds, personnel and most of the responsibilities of the former state-prefectures were transferred in toto to the 50 "Prefectural Self-Governments".

The new institution, however, faced a lot of difficulties right from the beginning. Most of the public servants in the former prefectures were not willing to move to the "PSG's" and tried by all means to return to state administration. Corporate interests were afraid that their influence on locally elected politicians wouldn't be as strong as it used to be within the Ministries. There were long lasting controversies and litigations, while in several cases the courts decided that "major state responsibilities" (i.e. physical planning, but also appointment of teachers in public schools etc.) could not be transferred to local government<sup>9</sup>. The "PSG's" lost further competence through laws that seemed to favour the state-controlled Regions, which have been built-up as the new basic units of deconcentrated state administration, thus increasing the complexity of public administration as a whole. Furthermore, concrete division of power

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<sup>8</sup> See below, chapter 7

<sup>9</sup> See Congress of Local and Regional Authorities of Europe (CLRAE): The situation of local and regional democracy in Greece. Report (unpubl.) Strasbourg, May 2002.



among the several levels of public administration often proved to be unclear, thus creating an environment of uncertainty and frustrating political accountability.

The newly elected “prefectural” politicians soon discovered that most of their funds were coming from state grants, many of which were simply financing concrete administrative tasks that the PSG’s were obliged to carry out on behalf of the state. Supervising and control responsibilities, routine duties and a lot of red tape were making up most of the workload, while the regions, the ministries and several state-controlled entities took policy-decisions affecting the prefectures. Apart from protesting and litigating, directly elected prefects tried to claim “their” part in the local political arena, not only by means of extensive use of the strong, historically rooted symbolism of their office, but also through unscrupulous clientelistic practices, sometimes even by breaking the law<sup>10</sup>. The evolution of prefectural local government in Greece seems to give a good example of how local political representation degenerates without funds and policy options of its own.

Disillusion about this second tier of local government has led, meanwhile, to public debates about a “repairing” reform. Some argue that three levels of public administration are too many for a small country like Greece. They would prefer a simpler system of two levels, consisting of municipalities and Regions, the latter being transformed into territorial, self-governed legal persons. But even after a new reform, the resistance of the centralist status quo wouldn’t cease and the majoritarian, polarised system would still not be able to cope with decentralised, multi-level patterns of decision-making and political responsibility.

### **Synopsis**

-The prefectures, which had been acting as units of state administration since 1833, were “municipalised” as a whole, prefects and prefectural councils were directly elected in October 1994.

-concrete division of power among the several levels of public administration often proved to be unclear, thus creating an environment of uncertainty and frustrating political accountability.

-The evolution of prefectural local government in Greece seems to give a good example of how local political representation degenerates without funds and policy options of its own.

-Some argue that three levels of public administration are too many for a small country like Greece

<sup>10</sup> According to the recent annual report of the Greek ombudsman, an astonishing percentage of citizens’ complaints were addressed to prefectural administrations. See [www.synigoros.gr](http://www.synigoros.gr).

## 6. THE "CAPODISTRIAS PLAN" OF AMALGAMATIONS

The mandatory unification of municipalities in 1998, gives us a unique, up to now, example of a radical reform through amalgamations in southern Europe. In 1997 a government plan for the re-organisation of the first tier of local government was approved, in its general principles, by an extraordinary congress of the National Union of Municipalities. The so-called "Capodistrias-Plan" was not just a plan to merge municipalities, but also a national and regional development and works programme, with a time scope of five years (1997-2001). The new local authorities would obtain the financial resources and the qualified staff they needed in order to set up a "modern and effective" unit of local administration that would act as an "instrument and a pole of development" for its district. In this way, the citizen would have more influence on local politics, since the new municipalities would develop a much wider range of activities ("participatory effect" of amalgamations). At the same time, continued representation of the old rural municipalities would be provided through local, directly elected community councils.

Table 1: Distribution of municipalities by orders of magnitude before (1996) and after (1999) the implementation of the 'Capodistrias' Plan

Population	Municipalities 1996	%	Municipalities 1999	%
<b>Up to 300</b>	<b>2.043</b>	<b>35,1</b>	<b>33</b>	<b>3,2</b>
<b>Up to 500</b>	<b>1.180</b>	<b>20,2</b>	<b>14</b>	<b>1,3</b>
<b>Up to 1.000</b>	<b>1.357</b>	<b>23,3</b>	<b>46</b>	<b>4,5</b>
<b>Up to 2.000</b>	<b>672</b>	<b>11,5</b>	<b>93</b>	<b>9,0</b>
<b>Up to 5.000</b>	<b>337</b>	<b>5,8</b>	<b>380</b>	<b>36,8</b>
<b>Up to 10.000</b>	<b>102</b>	<b>1,8</b>	<b>281</b>	<b>27,2</b>
<b>Up to 20.000</b>	<b>48</b>	<b>0,9</b>	<b>95</b>	<b>9,2</b>
<b>Up to 50.000</b>	<b>54</b>	<b>0,9</b>	<b>56</b>	<b>5,4</b>
<b>Up to 100000</b>	<b>24</b>	<b>0,4</b>	<b>27</b>	<b>2,6</b>
<b>Up to 200000</b>	<b>6</b>	<b>0,1</b>	<b>6</b>	<b>0,6</b>
<b>Bigger</b>	<b>2</b>	<b>0,03</b>	<b>2</b>	<b>0,02</b>
<b>Totals</b>	<b>5.825</b>	<b>100</b>	<b>1.033</b>	<b>100</b>

Source: Ministry of Interior, Public Administration and Decentralisation: 2000a.

The total number of municipalities has been cut down by 80%, a percentage that would be even higher if the metropolitan areas of Athens and Thessaloniki, which were exempted from the amalgamations-plan and include more than 150 municipalities, were not taken into account. The average population of the municipalities climbed up from about 1.600 to more than 11.000, while the average number of municipalities in each prefecture fell from about 120 (116,5) to a little bit more than 20 (20,66) units. From this viewpoint, the "prefectural local

governments”, especially outside the metropolitan regions, now seem to be too small to function as a higher tier of local governance for the larger municipalities. On the other hand, quite a few of the new municipalities now seem to be too small to exercise several additional responsibilities (local police, minor harbours etc.) which have been transferred to the first tier of local government. Recent laws provided the establishment of single- or multi-purpose local associations (“syndicates”, now pompously called “sympoliteia”) of municipalities that could carry out “demanding” tasks, such as local police, logistics and public works, while new types of contracting were introduced. These instruments of intermunicipal co-operation, however, tend to disenfranchise the citizen, while they reduce transparency and confuse accountability.

Despite those difficulties and several protests that the “Capodistrias Plan” would not run as initially declared, there is no doubt that this major reform has already changed the landscape of local government in Greece. There is a new generation of politicians in the “Capodistrias-municipalities”. Most of them do not simply (as their predecessors used to do) complain and stand for interests of their community in higher levels of politics and administration, but they also try to manage their own resources and cope with local problems. Many of these new politicians are public employees, having time resources and good connections within the state and the party hierarchies. This type of “more professional” mayors and councillors reflects the deep changes in demography, economy, communication and culture during the last decades that tend to “urbanise” styles and views of life in the Greek countryside. Local peculiarities seem to fade, even the so-called “geographic differentiation of political and voting behaviour”, that used be so strong, is declining<sup>11</sup> in this small, further homogenising country. Nowadays, local communities in “rural” areas would expect much more from public administration than they used to in the past. Consequently, the amalgamations of the nineties were not simply the achievement of “radical modernises” or the outcome of “socialist dogmatism”<sup>12</sup>, they also responded to an altering social environment. This could also offer an explanation for the fact that resistance against amalgamations has been (with some exceptions) less strong than expected, although many political parties opposed this territorial reform and tried to mobilise their supporters.

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<sup>11</sup> Nikolakopoulos 1990: 235.

<sup>12</sup> Such expressions were quite common in press reports and oppositional comments.

**Syntesis**

- The mandatory unification of municipalities in 1998, gives us a unique, up to now, example of a radical reform through amalgamations in southern Europe.
- The total number of municipalities has been cut down by 80%
- Nowadays, local communities in “rural” areas would expect much more from public administration than they used to in the past.
- The amalgamations of the nineties also responded to an altering social environment

## 7. THE REGIONS: A RELATIVELY NEW TERRITORIAL STRUCTURE OF DECONCENTRATED STATE ADMINISTRATION

The government in the sense of administration is divided into central or national and local (“deconcentrated” administration). The central government is divided into Ministries. Every Ministry is divided into directorates general, directorates sections etc. A Minister combines two functions: he is a member of the Cabinet and thus responsible for its “general policy” (collective ministerial responsibility, furthermore he is also the head of all authorities of his ministry. He himself is not subject to anyone’s disciplinary authority. He is only politically accountable to Parliament, which may withdraw its confidence to him (Art 84 II of the Constitution), and to the Prime Minister on whose proposal the President of the Republic appoints and dismisses the members of the government (Art. 37 I).

As already mentioned<sup>13</sup> state administration is, according to the Constitution (Art 101 I) “deconcentrated”. This means that the “peripheral” state authorities, although appointed and supervised by central government, are entrusted with considerable decision-making-powers within their territory. The territory of the whole country, with the exception of the autonomous Mount Athos with its monastic community (Art. 105 of the Constitution) is divided into fifty-one nomoi. The nomos is both a geographical division and a voting district for general elections, with the exception of the nomoi of Attica and Thessaloniki which are divided into five and two such districts respectively. The nomos also used to be (up to 1994) the territory of a state administrative unit, the Nomarchia (Prefecture), headed by the Nomarch (Prefect) who was a political appointee, appointed and dismissed by presidential decree at the proposal of the Minister of Interior after decision of the Cabinet. The Nomarch was hierarchically subordinate to the Minister of the Interior, but also to the other ministers when he exercised corresponding responsibilities at the level of the nomos. The control exercised on the Nomarch by the ministers was mainly concerned with the legality of his actions, but the fact that he was a fully political person made him open to political influence and direction. Since 1982, a nomos council consisting of representatives of state administration, trade unions, municipalities, chambers of commerce, employers’ unions and some other interest groups took many important decisions concerning the nomos. This nomos council was supposed to prepare the “municipalisation” of the prefectures (which has been realised twelve years later, in 1994) and concentrated not only decisional and planning, but also consultative responsibilities.

The Nomarch (Prefect) was the head of the prefectural administration (Nomarchia) and its employees, but each department was still connected to the respective Ministry and was guided and financed by the central, “sectional” authorities. Furthermore, employees of the Prefecture could move to a different Prefecture or the central authorities and vice versa, while the

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<sup>13</sup> See above, Chapter 3.

machinery of the Prefecture was so over-stretched that it could hardly be supervised and coordinated by the Nomarch. According to some surveys<sup>14</sup>, prefectural departments used to communicate more often with the central authorities, than with the Nomarch or other departments of their own Prefecture. Poor co-ordination and performance of the Prefectures became more evident, when these administrative units failed to manage projects financed by the EC. It was obvious that peripheral state administration should be reformed.

After two failed attempts to establish an upper level of deconcentrated state administration with general powers (1913-1953 and 1970-1973), Act 1622/1986 introduced the 13 present administrative regions, which were finally established by the Presidential Decree 51/1987. These regions were not intended to have general powers, but were set up to co-ordinate, plan and programme regional development, so that Greece could take advantage of the EC structural funds, while the structural and development policy of the European Community has been transformed in 1988. In each Region ("Peripheria") a Secretary General has been appointed. He or She was the direct representative at regional level for matters of interdepartmental coordination and planning. He was subject to the authority of the Minister of the Interior for all questions relating to his status, while in the exercise of his responsibilities he was subject to the minister responsible who ensured the legality of his acts. Between the Secretary General of the Region and the Nomarchs of the Prefectures within the respective Region there was no hierarchical relationship, nor such a relationship existed between the Secretary Generals and the two Ministers with geographically limited responsibilities, that means the Minister of the Aegean and the Minister of Makedonia and Thrace.

Since 1988, The Secretary Generals of the Regions are assisted by regional councils, which are responsible for democratic planning in their regions and have essentially advisory powers. The councils are chaired by the Secretary Generals and comprise: the provincial governors of the region, a representative of each local Union of Urban and Rural Municipalities (TEDKE) (there is one in each nomos), a representative of each of the regional agencies specified in the Act (chambers of industry and commerce, the Technical Chamber of Greece, the Geotechnical Chamber of Greece) and representatives of civil servants' unions, agricultural co-operatives and trade unions.

The regions' character began to change in 1994, when the provinces became territorial authorities, and the state no longer exercised power at that level. Act 2240/1994 gave the Secretary Generals of the Regions certain powers, which the appointed Nomarchs had previously exercised, but which corresponded to state functions exercised throughout the country rather than local functions - supervision of local authorities being one of them. Some deconcentrated branch (sectional) services, which are generally managed by the Regions, remained at the level of the nomos. Above all, however, Act 2503/1997 vested the state's

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<sup>14</sup> See G.Varelidis/D. Sotiropoulos, Survey on the Prefecture of Corinth, Athens 1994 (in greek).

general deconcentrated powers in the Regions. The regions have thus been endowed with administrative powers, and extensive decentralisation makes them even more important: they have their own budgets, which are allocated by the state and implemented by the Secretary General of each Region, and they have their own staff. The Secretary General also manages regional development funds from national or EU sources. However, the regions do not have independent legal personality, but are still one echelon of the country's internal administration, and answerable to central government.

Among the numerous responsibilities undertaken by the Regions, some of the most important are:

- Development, Public Investment, physical and urban planning
- Water Management Planning and Water Management
- Waste Management Planning
- Management of Public Mines and stone
- Coordination and financing of social welfare programmes
- Police responsibilities on public health issues
- Environmental Impact Studies for major works and activities
- Forest Management
- Implementation of Aliens law
- Supervision of tourist enterprises and hotels
- Civil and emergency protection

As well as serving functional purposes, the reform of 1997 was dictated by legal requirements. As already mentioned<sup>15</sup>, the Greek Constitution bases territorial organisation on deconcentrated state administration and management of local affairs by local authorities (Sections 101 and 102). The Supreme Administrative Court, the Council of State had ruled that the Constitution prohibited local authorities from exercising central government functions of

major importance (physical planning powers were the issue). This meant that, if local authorities took over from deconcentrated state authorities at the level of the nomos, then those state authorities had to be reorganised on another level and given state powers, which would otherwise have stayed with the local authorities. It is true that the amended Constitution states that “the exercise of competencies constituting missions of the State may be assigned by law to local government corporations” (Art. 102 I), but recently the Council of State ruled that normative responsibilities on major issues cannot be delegated to local government. Furthermore, the principle (derived from Article 101 I) of a state administrative system based on devolution and deconcentration still holds. Unless the Constitution is again amended, and this position reversed – of which there are no signs at present – a strong decentralised administration at regional level seems likely to remain the pattern for some time.

Nowadays, the country’s 13 Regions constitute the main units of deconcentrated state administration. The Secretary General of the Region has a *sui generis* position in the Greek administrative system. Not only is he (or she) the head of the region, but he also represents the central government and is responsible for implementing and adapting its policies within the region. In these two qualities he ensures the implementation of the law, has precedence over all civil and military authorities in the region and is superior to all civil authorities of the region except the law courts. He (or She) is the head of the regional departments of the Region as well as of the police, port services and fire brigade in the Region. He (or She) directs, coordinates, surveys and controls the action of the services and of the staff in the Region. He has overall responsibility on matters that belong or have been transferred to services of the Region, while there is a presumption of competence regarding state responsibilities in favor of the Secretary General. As general decentralised authorities, the Secretary Generals now play a central part in implementing major government programmes. For example the law provides for a three-year programme - the “Politeia” Programme - to reform public administration by updating methods and organisation, extending computer applications and upgrading human resources. This programme mainly derives from regional programmes approved by the Ministry of the Interior on the basis of reports prepared by the Secretary Generals in consultation with the regional councils.

The Secretary General also supervises local authorities and is the chairperson of the Regional Council, which is responsible for development planning and holds several advisory powers. The Regional Councils make proposals to the central government on public works and general policy measures of national importance affecting the region, draw up the regional development plan on the basis of proposals by local authorities, and allocate the funds provided for local authorities projects under the public investment plan. Although these Councils seem a satisfactory way of achieving the partnership provided for in the structural fund regulations, It is noticeable, however, that local representatives are chiefly anxious to secure funding for their

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<sup>15</sup> See above, Chapter 3.



own projects, and the system does not encourage those involved to think in terms of the region as a whole. The procedure for submission is open and competitive, but this does not rule out “subjective criteria”. Setting up projects in a way, which matches the eligibility criteria is the main source of problems, and small authorities are at a disadvantage here. So, the fact that these 13 Regional Councils lack direct democratic legitimisation seems to be a major source of problems. Being bodies of bargaining and deliberation, the Regional Councils were proven, within the Greek context (strong localism and sectionalism, weak regionalism), to be unable to structure regional identities and coherent regional strategies.

Therefore, from a political point of view, the Regions are rather weak. But they constitute an important part of state competence, gather most of the local units of state administration, and administer a lot of different funds. Apart from the Secretary General's office, a section of communication, a civil emergency planning section and a civil protection bureau, the regional administration comprises a general directorate, which is divided into twelve to fourteen specialised directorates ((Planning and development, health and welfare, public works, environment and urban planning, forests, agricultural development, supervision of self government, general administration, Inspection of Forests etc.), and local directorates, which are also specialised, in all the nomoi of the Region (except that in which the regional capital is situated). The latter are mainly Directions for the supervision of local government, directions of reforestation and Directions of Forests – Forest Inspections. It should be mentioned that, although Regions have their own staff and a Region-Manager (“General Director”) coming from the civil service, their various units are still under-staffed and depend on the assistance and the know-how of the Ministries. A kind of “sectional spirit” still seems to prevail, thus reproducing the kind of ministerial- or sector- “federalism» that is typical for many unitary states.

Table 2 : Number of Civil Servants at central, regional and prefectural (“nomos”) level of state administration

<b>Year</b>	<b>Central</b>	<b>%</b>	<b>Regional</b>	<b>%</b>	<b>Nomos</b>	<b>%</b>	<b>Total</b>
1987	27.354	21,4	5.427	4,3	94.727	74,3	127.528
1988	29.443	23,5	9.888	7,9	85.822	68,6	125.153
1989	29.921	24,0	10.843	8,7	83.792	67,3	124.556
1990	29.685	25,0	9.470	8,0	79.642	67,0	118.797
1991	36.219	30,5	10.012	8,4	70.568	60,4	118.605
1992	26.455	23,7	8.445	7,6	75.810	67,9	111.698
1993	28.378	24,5	8.199	7,1	79.055	68,4	115.632
1994	25.377	22,9	8.801	8,0	76.523	69,1	110.701
1995	28.535	25,4	9.932	8,9	73.666	65,7	112.133
1996	29.753	26,2	10.427	9,2	73.175	64,6	113.355

Source: Ministry of Interior, Public Administration and Decentralisation: 1998

Funds at the regional level are mainly handled through private legal persons, the so-called "Regional Development Funds". The Board of the Fund, presided over by the Secretary General of the Region, consists of representatives of self-government corporations of both levels (municipal and prefectural), labour unions, employers associations and top civil servants of the Region. The Regional Development Fund manages grants, which come mainly from national public investment plans and the EU, and are used to fund projects included in regional, prefectural and local development plans. It may also contract loans. The Board looks after the cases and the interests of the Fund and decides about matters which are relative to the responsibilities of the Fund, in exception of the matters that belong to the responsibility of the President (representation before the public authorities, execution of the decisions of the Board, staff, reception of income and of cash orders, signing of contracts).

The Regional Development Funds have their own staff and sources (percentage on the financing they handle, income and participation to the programs of the European Union, from the rendering of services, the execution of works, the elaboration of studies and programs and other sources). The provisions apart from the staff employed provide for the detachment of other civil servants of the public sector, or the legal entities that serve under the limits of the Region. The Regional Development Funds are modern, flexible mechanisms of handling the funds but also places where important know – how can be produced together with the elaboration of studies, researches and the application of programs according to the decisions of the regional organs and the relative dispositions.

The Investment expenditure within the territory of the Regions is covered by "collective decisions" - special decisions by the Minister of the Economy, approving projects, which are grouped in categories and together, make up the public investment programme. Collective decisions are "regional" (projects planned by the regions - since 1998), "prefectural" (projects carried out by the prefectures) and "local" (projects carried out by first-level local authorities). Important investment or other programmes for local authorities are usually managed at regional level. So, the Implementation of the "Klisthenes" and the "Politeia" programmes, both concerned with the reform and modernisation of public authorities and local government, and launched for three years in, is essentially a matter for the regional governors. Furthermore, the Special Local Government Programme (EPTA), a support programme, helping to cover local infrastructure costs and the running costs of first-level local authorities over a five-year period (1998-2003), which has been renewed for a further two years, is also managed by the Region. The EPTA provides financial back-up for the "Capodistrias'-amalgamations"<sup>16</sup>, and totals almost three billion euros. It is financed by redeploying ministerial funds, and the use made of

these is collectively monitored by the ministries concerned. The funds themselves are first divided among the regions on demographic and economic criteria, and then divided among the municipalities in each region by the Secretary General, who must ensure that the municipal projects submitted respect, the programme regulations.

Another important Programme, the Special Local Government Development Programme, is part of the regional development programme set up to use the structural funds. It funds improvement of the local authorities' technical and material infrastructure, and also provision of the infrastructure needed for local residents and local economic development (roads, water supplies, environmental measures, tourist facilities). The regions decide on use of the structural funds, and the monitoring committees are chaired by the Secretary Generals.

In other words, most local public spending is planned and decided at regional level, under the Secretary General's authority. This is the main reason why the regions have become key elements in the Greek administrative system.

Table 3 : Administrative Status of the Regions

Region	Prefectural Self Governments	Municipalities	Communes	Population of Municipalities	Population of Communes
East. Makedonia/ Thrace	2	47	8	554.630	15.866
Attika	3	91	33	3.456.094	67.313
Nor. Aegean	3	35	1	198.945	286
W.Greece	3	72	2	706.572	1.115
Western Makedonia	4	44	17	283.501	9.514
Epeiros	4	57	19	329.642	10.087
Thessalia	4	93	11	722.346	12.500
Ionian Islands	4	33	6	191.783	1.952
Central Makedonia	7	126	8	1.699.858	9.119
Crete	4	68	2	539.413	641
S.Aegean	2	45	13	252.208	5.273
Peloponnese	5	100	7	601.950	5.478
Centr.Greece	5	89	6	574.513	7.767
<b>Total</b>	<b>50</b>	<b>900</b>	<b>133</b>	<b>10.111.455</b>	<b>146.911</b>

Source: EETAA (Municipal Agency for Local Development): 1999

<sup>16</sup> See above, Chapter 6.

### **Synopsis**

-“peripheral” state authorities, although appointed and supervised by central government, are entrusted with considerable decision-making-powers within their territory

-a strong decentralised administration at regional level seems likely to remain the pattern for some time

-Nowadays, the country’s 13 Regions constitute the main units of deconcentrated state administration

-Being bodies of bargaining and deliberation, the Regional Councils were proven, within the Greek context (strong localism and sectionalism, weak regionalism), to be unable to structure regional identities and coherent regional strategies.

-A kind of “sectional spirit” still seems to prevail, thus reproducing the kind of ministerial- or sector- “federalism» that is typical for many unitary states.

-Most local public spending is planned and decided at regional level. This is the main reason why the regions have become key elements in the Greek administrative system.

## 8. THE ORGANISATIONAL STRUCTURE OF LOCAL GOVERNMENT IN GREECE

As already mentioned<sup>17</sup> the amended Constitution of 2001 provides two levels of local government without saying who they are. Nowadays, the first tier of local government consists of 900 *municipalities* (*demoi*) and 133 *communes* (*koinotites*), while the second tier consists of 50 *Prefectural Self Governments* (*Nomarchiakes Autodiekesis*) The local government corporations (or “local government authorities”) are legal persons of public law. They are independent in their own administration (art. 102 II of the Constitution), but they deprive of normative autonomy, that is they cannot issue their own bylaws unless especially authorised by formal law (law voted by the Parliament, Art. 43). The Constitution (Art. 43 II) permits delegation of legislative powers to persons other than the President of the Republic only if it relates to “specialised matters of local interest or of a technical or detailed character”. The current municipal and prefectural codes (Pr. Decrees 410/1995 and 30/1996), however, provide that the municipal or the prefectural council may issue by-laws on a considerable number of matters (opening hours of shops, markets, parking systems etc.). But the actual authority of the local government may suffer from the fact that the line between national and local affairs is not always clear, and, consequently, this line is ultimately drawn by Parliament or, in case of conflict and litigation, by the administrative courts, which have proven not to be very friendly to the local authorities.

### 8.1. THE FIRST TIER OF LOCAL GOVERNMENT

Since 1912, local government corporations at the local level have been divided into Municipalities (*Demoi*) and Communes (*Koinotites*). Originally, the *demos* (municipality) was the organisational type foreseen for urban local government (capital of the *nomos*-prefectures and towns with a population of more than ten thousand inhabitants), the simpler organisation of the *koinotis* (commune) should be the organisational type for smaller towns and villages. A “self-contained settlement” should comprise a certain minimum of inhabitants (in 1912 this minimum was 300 “souls”, some decades later it was 1.500 “inhabitants”) and sufficient means to finance its administration in order to be “recognised” as a *koinotis* by decree. But thousands of communes have not been amalgamated although they lost most of their population that moved to the cities, and many smaller towns have been characterised as “*demoi*”, because they were of “historical importance” or functioned as “summer resorts”. The fragmentation of the first tier proved to be a major problem of Greek local government, especially, after the Second World War.

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<sup>17</sup> See above, Chapter 3.

After decades of hesitation, the mandatory unification of many Communes by law (Act 2539/1997) was decided upon, and as a result the total number of municipalities and communes was reduced from 5,825 (1996) to 1,033 (1999) units. However, the provision of the relevant 'Capodistrias' Plan for the creation of seven different types of local government corporations at the first tier, so that "the institutional framework should be adapted to present-day realities" was not finally implemented. Thus, the 'dualistic' system (municipalities - communes) was, on general lines, retained, with certain differences as to the system of representation of residents on the new local government corporations (see below).

Most (900) of the new agencies are described by the law itself as 'municipalities', although 714 of them (i.e., almost 80%) have fewer than 10,000 residents. That is to say ordinary legislator, continuing the practice of previous decades, has circumvented the population criterion and recognized as municipalities almost all the *viable* first-level agencies, reserving the organizational type of the commune chiefly for problem cases in a form of local government 'by dispensation'.

Table 4: *The development of the number of towns with a population of 10,000 or more, of self-contained settlements and of the country's total population from 1940 to 1991, and of the municipalities and communes down to 1999*

	1940	1951	1961	1971	1981	1991/1999
Municipalities	146	218	225	256	264	361/900
Towns	60	74	96	104	121	129
Communes	5,618	5,757	5,775	5,805	5,774	5,560/133
Settlements	10,911	10,911	11,615	11,691	12,315	12,817
Population	7,344,860	7,632,80	8,388,553	8,768,641	9,740,417	10,312,711

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Source: *Statistical Yearbooks of the National Statistics Service: 1962, 1982, 2000*

### 8.1.1. THE MUNICIPALITIES

The Municipalities and Communes Code (Presidential Decree 410/1995 - MCC) includes certain basic regulations, which apply to all municipalities, though they differ according to their size and in certain special cases (see below). Thus, the *municipal council*, the *mayoral committee*, and the *mayor* are cited as 'municipal authorities' (Art. 40 MCC). The 825 municipalities which have a population greater than 2,000 have, in addition, one to nine *deputy*

*mayors* (Art. 115), that means councilors which are appointed as deputy mayors by mayoral decision and are responsible for a certain section of municipal activities.

The *municipal council* has *general competence* (Art. 106) and decides upon all matters apart from those, which belong by an express provision of law within the (special) competence of the mayor or of the mayoral committee. However, by a decision of the absolute majority of all the members of the municipal council, certain of its responsibilities can be transferred to the mayoral committee. Furthermore, the setting up of *committees* (on which even private individuals can serve) in order to deliberate and make proposals on specific issues that are to be discussed at the municipal council is also possible (Art. 110). The municipal council has a three-member *praesidium* (president, vice-president, and secretary), which it elects from among its members for a two-year term. The municipal councils consist, depending upon the size of the population, of 11 - 41 members, to which, however, in the case of the 'Capodistrias' municipalities (which are the result of recent amalgamations), the chairpersons of certain *local councils* are added.

Table 5: Numbers and size of the main organs of the municipalities

<b>Municipal Population</b>	<b>Total Number of Municipalities</b>	<b>Members of the Council</b>	<b>Members of the Mayoral Committee</b>	<b>Deputy Mayors</b>
Up to 5.000	433	11	3	1
Up to 10.000	281	15	3	1
Up to 30.000	186	19	5	2
Up to 60.000	43	25	5	3
Up to 100.000	15	31	7	4
Up to 150.000	3	35	7	5
Up to 500.000	3	39	7	7
More	1	41	7	9

The meetings of the basic organ of the municipality, held at least once a month and when this is sought by the mayor, the mayoral committee, or one-third of the total number of its members (Art. 108), are public. It is worth drawing attention here to the phenomenon of the *conformism* of the municipal councils which manifests itself chiefly in large municipalities, where these organs with their many members are forced - in view of the extent of their competence - to decide on a large number of issues without effective discussion of them being possible. All the decisions of the municipal councils are *enforceable* as soon as they are issued (signed), they

are *published* and they are sent to the secretary general of the region, who also carries out, at the first stage, the relevant review of legality (see below).

The mayoral committee consists of the mayor or a deputy mayor appointed by him as chair and, depending upon the size of the municipality, two to six members, elected in a secret ballot by the municipal council from among its members for a two-year term of office (Art. 112). In the case of mayoral committees with five or more members, a member of the municipal council drawn from the minority is also mandatory elected. The mayoral committee is responsible, *inter alia*, for the compilation of the budget and for tenders. In the case of the latter, however, the mayoral committee retains the power to decide, "in cases of major importance", that it will exercise the relevant competence itself (Art. 111 III).

The *mayor* represents the municipality, executes the decisions of its collegial organs, and is head of the staff and services of the municipality, which he directs (Art. 114). Of particular importance, moreover, are the duties exercised by the mayor, following a 'functional duplication', as an organ of the state, such as, for example, in matters of conscription ('register of males'), elections, registration, etc. It is worth noting that the mayor is not a member of the municipal council, but he is invited to its meetings and takes part in debates, while he may require the inclusion of specific matters on the agenda. In most municipalities, the mayor is 'assisted' by *deputy mayors*, that is, members of the municipal council who are appointed by the mayor for a two-year term, unless the municipal council reduces their term to a year. The deputy mayors deal with a particular area of the municipality's activities and exercise the duties of the mayor, which he has delegated, to them (Art. 115). The *revocation* of the appointment of a deputy mayor may be effected "if he carries out his duties in an inadequate manner" by a decision of the municipal council, following a reasoned proposal to this effect on the part of the mayor.

Of the above organs of the municipality, the mayor and the members of the municipal council are elected *directly* by the registered residents (and by citizens of the European Union who reside permanently in the municipality). Every candidate for the post of mayor leads a list of candidates for all the seats on the municipal council. The law explicitly prohibits candidates who are not on such a list from standing, as well as the use of party, religious, or national symbols in the emblems of the municipal lists (Art. 54, 55). Nevertheless, the political parties officially announce the names of the candidates who have their support.

The chief objective of the *electoral system* is to ensure the governmental stability within the municipalities. The 'successful list' occupies three-fifths of the seats on the municipal councils, while the 'runners-up' are restricted to a slender two-fifths minority. Only the list obtaining absolute majority of all the valid ballot-papers achieves victory in the elections, even at a second 'run-off' (Art. 76) between the two lists that received the most votes the first time. In this



way lists that are supported by the most parties are encouraged to stand in municipal elections; however, last-minute deals, that is, between the first and second round, are not uncommon. It is, however, worth noting that this electoral system, taken in conjunction with that the mayor, elected for a four-year term, does not need the 'declared' confidence of the majority of the municipal council, gives rise to the conditions for a 'monocracy' of the mayor in the municipality, particularly in cases where he/she has a strong personality.

## I. THE MUNICIPALITIES OF THE MAJOR CITIES

Municipalities, which have more than 150,000 residents, are divided, by a decision of the municipal council, into *departments*, where an individual municipal establishment operates (Art. 120). Thus, the Municipality of Athens has been divided into seven departments, that of Thessaloniki into five, that of Piraeus and of Patra into three. Each department has its own *council* (Departmental Council), which is elected directly by its residents on the ballot-paper of the list of the candidate for mayor. Candidacies other than on the same list for the Municipal Council and the Departmental Council are unacceptable (Art. 137). The Council consists of 15 members and the distribution of the seats is in line with the election result in the whole municipality and follows the same electoral system (three-fifths for the successful list). The Departmental Council elects its *chairman*, to whom the mayor can delegate the signing of documents and certificates, for a two-year term of office. The Departmental Council expresses opinions and formulates proposals on local matters, while it is possible for the Municipal Council to delegate decision-making duties; this, however, is avoided in practice. In any event, the local population is not greatly interested in the organs of the departments, which have been mapped out 'on paper', ignoring the historical neighborhoods of Greece's major cities.

## II. THE 'CAPODISTRIAS' MUNICIPALITIES

The municipalities which were formed by Act 2539/1997, within the framework of the 'Capodistrias' Plan of amalgamations, are sub-divided, in accordance with the territorial boundaries of the abolished rural communes, into *municipal departments* in which (except for those which are headquarters of municipalities and have more than 1,000 residents) local councils with three to seven members, depending upon the size of the department's population, are set up. The *local councils* are elected directly by the residents on the ballot-paper of the candidate for mayor. Nevertheless, the distribution of local councils' seats is made in accordance with a *proportional system*, based on the result of the election within the specific department. The *chairman* of the Local Council is the candidate of the winning list at the departmental level who received the most preference votes (Arti. 5 of Act 2539/97). The chairmen of seven-member and five-member Local Councils become also *members* of the Municipal Council, while the chairmen of those with three members become *assessors*. The latter must be invited to meetings of the municipal council, where

in certain cases they have voting rights. The Local Councils have the competence to deliver an opinion or formulate proposals to the Municipal Council on all matters of interest to the municipal department, and certain special duties as to the property of the corresponding rural commune, which has been abolished. The law also allows the Municipal Councils to delegate certain of their decision-making responsibilities (mainly having to do with local infrastructures) to the Local Councils or their chairs.

### 8.1.2. THE COMMUNES

The *council of the commune* consists, depending upon the size of the population, of seven to eleven members, including the president of the commune. The Council of the Community has general competence (Art. 93) and is convened at least once a month by the president of the commune, who also implements the decisions of the Council, while he also represents the commune and is head of its staff and services. The same, or equivalent, regulations as in the case of municipalities are, normally, applied as to the force and review of the acts issued by the organs of the communes and the election of the latter. It should, however, be noted that here a relative majority is sufficient for the victory of a list of candidates in the elections. Moreover, in the 'Capodistrias' communes, which were formed by Act 2539/1997, local *departments* have also been set up; in these departments, *assessors* are elected, and what has been said of the municipal assessors (see above) also applies.

## 8. 2. THE PREFECTURAL SELF-GOVERNMENTS

The 50 Prefectural Self-Governments (PSG) have been set up by Acts 2218 and 2240/1994 in place of the old state prefectures. The boundaries of the Prefectural Self-Governments correspond, in 45 instances, to those of the geographical division of the nomos. In two cases (Eastern Attica and Western Attica) they are smaller and in three cases (Athens-Piraeus, Evros-Rodopi, Kavala-Xanthi-Drama) to those of more than one nomos. The latter, special, category contains 'unitary prefectural self governments', which are sub-divided into 'prefectural departments', while all the others can be characterized as 'simple' Prefectural Self-Governments. The Prefectural Self-Governments show major differences in the size of their populations:

Table 6: *Distribution of the 50 second-level local government agencies by orders of magnitude*

Population	Prefectural L. Governments	%	Total Population	%
Up to 30,000	2	4.0	45,418	0.44
Up to 50,000	5	10.0	190,199	1.85
Up to 75,000	6	12.0	358,018	3.49
Up to 100,000	6	12.0	539,833	5.27
Up to 150,000	13	26.0	1,617,313	15.77
Up to 200,000	9	18.0	1,566,701	15.27
Up to 300,000	5	10.0	1,268,369	12.36
Up to 500,000	2	4.0	623,622	6.08
Greater	2	4.0	4,048,831	39.47
Grand Totals	50	100	10,258,364	100

Source: National Statistical Service (prefectural self-governments at 1.1.1995, population census of 1 March 1991). Statistical Yearbook: 2000.

The country's 48 'simple' Prefectural self-governments (and the prefectural departments of the 'unitary' ones, see below) have as their organs the *prefectural council* (PC), the *prefectural committee*, the *prefect* ("nomarch") and the *assistant prefects*, while there is provision for an *economic and social committee* as a *consultative* and deliberative body. The Prefectural Council has general competence and consists, depending upon the size of the population, of 21 - 37 members (in the Cyclades and Dodecanese, by way of exception, of 41 members), and has a three-member *praesidium* (president, vice-president, and secretary), which it elects from among its members for a two-year term. The Prefectural Committee consists of the prefect or the deputy prefect appointed by him as its chair and, depending upon the size of the Prefectural Council, four to six members, of whom half are drawn from the minority. The Prefectural Committee is, *inter alia*, competent for preparing the budget, procurements and tendering, while the Prefectural Council can delegate additional responsibilities to it (Art. 58 of the 'Prefectural Code' – Pr. Decree 30/1996. The *prefect* is responsible for the implementation of the decisions of the Prefectural Council, represents the Prefectural Self-Government and is head of its services and staff (Art. 62). One to four deputy prefects, who are appointed by him for a two-year term of office and exercise responsibilities that he has transferred to them, assist the prefect. The economic and social committee consists of representatives of the Local Union of Municipalities and Communes, employers' and employees' unions, chambers, professional and co-operative bodies, and of the employees of the Prefectural Self-Government. It should, however, be noted that this consultative organ is under-employed, since today development policy is formed and implemented on the scale of the Region<sup>18</sup>.

<sup>18</sup> See above, Chapter 7.

The similarities of the organs of the Prefectural Local Governments and their system to those of the municipalities are so great as to give the impression that the legislator of Acts 2218 and 2240/1994 has simply transferred to the second tier what applied to the first. In any event, the electoral systems are almost identical, since in the case of the Prefectural Local Governments as well, candidacies are permitted only in the form of lists and victory in the elections is achieved, albeit in two rounds (Art. 36), by an *absolute majority*, and entails the occupation of three fifths of the seats by the 'successful', winning list. As to the more particular regulations on the appointment and function of the organs of the Prefectural Self-Governments and thinking on the problems connected with them, it suffices at this point to refer to what has already been said about the municipalities. It is, however, worth drawing attention to the fact that the legislator has attempted to reinforce the minority in the Prefectural Self-Governments (assignment of half the seats at the Prefectural Committee, obligation to convene the Prefectural Council when this is sought by the major opposition list).

### 8.2.1. THE "UNITARY" PREFECTURAL SELF-GOVERNMENTS

The organs of the "simple" Prefectural Local Governments are to be found and operate in the *departments* of the unitary Prefectural Local Governments. However, the latter also have, in addition, a *president* and a major *council*, which consists of all the council-members of the departments, so that in 'Athens-Piraeus' it has 74 members. The president of this council, the vice-president and the secretary make up the 'three-member committee' which is a special organ (Art. 116 III, XII) and exercises responsibilities, which correspond to those of the Prefectural Committees. The president of a unitary Prefectural Self Government is elected directly by the residents on a ballot-paper, which also includes candidates for the office of prefect for the *prefectural departments* and for the prefectural councils of the departments. In every other respect, each prefectural department functions in an *independent* manner, since its organs exercise - with very few exceptions - exactly the same responsibilities as the corresponding organs of the 'simple' Prefectural Self Governments (Art. 116 III, VIII). Furthermore the very few responsibilities (and the insignificant financial and human resources) that the organs of a unitary Prefectural Self Government have at their disposal do not allow them to perform coordinating and executive tasks. In essence, that is to say, a 'unitary' Prefectural Self Government is no more than a unified electoral constituency of more than one self-governed department.

### **Synopsis**

-Nowadays, the first tier of local government consists of 900 municipalities (demoi) and 133 communes (koinotites), while the second tier consists of 50 Prefectural Self Governments (Nomarchiakes Autodiekeisis)

-The local government corporations (or "local government authorities") are legal persons of public law. They are independent in their own administration (art. 102 II of the Constitution), but they deprive of normative autonomy.

-the actual authority of the local government may suffer from the fact that the line between national and local affairs is not always clear, and, consequently, this line is ultimately drawn by Parliament

-The fragmentation of the first tier proved to be a major problem of Greek local government, especially, after the Second World War.

-The political parties officially announce the names of the candidates who have their support.

-The chief objective of the electoral system is to ensure the governmental stability within the municipalities.

-The mayor, elected for a four-year term, does not need the 'declared' confidence of the majority of the municipal council

-The similarities of the organs of the Prefectural Local Governments and their system to those of the municipalities give the impression that the reformers simply transferred to the second tier what applied to the first

## 9. RESPONSIBILITIES OF LOCAL GOVERNMENT

A significant portion of the competence of public administration is today exercised by the Local Government Corporations. Moreover, within their areas they also handle many 'alien' affairs (those of the State or of another public law legal person). The exercise, 'by assignment' or 'by order', as it is usually called, of these 'assigned' duties ensures their accomplishment throughout the country, and, moreover, at a level closer to the citizen, that is, that of the Local Government. However, those of their organs that exercise state responsibilities operate in this case - within the framework of so-called 'functional duplication' - as state organs and are subject to the corresponding hierarchical review. Typical examples are, *inter alia*, in the case of mayors and presidents of communes, the duties of registrar (e.g., the drawing up of marriage certificates), the issuing of various certificates and the delivery of documents in accordance with the Code of Civil Procedure, and, in the case of prefects, the issuing of passports and acts of verification in connection with nationality, the annual review of the electoral rolls, and the holding of elections.

The rest of the responsibilities that concern local affairs are exercised independently (Art. 102 II of the Constitution). The legal notion of "local affairs" is interpreted in each single case, since it is only in this way that it can be judged whether a specific affair is local (municipal / communal, prefectural) or not, since the difficulties which thus arise are considerable, particularly in view of rapid changes which the related socio-economic, environmental and technological matters involved are undergoing. It should, however, be noted that the exercise of these independent responsibilities is not always left to Local Government's discretionary power, since some of them concern services which are essential, *inter alia*, for public health (e.g., water supply, garbage collection, maintenance of cemeteries). Such services constitute, according to legal doctrine and the relevant case law<sup>19</sup> (Council of State 2026, 4152/1996), a *basic obligation* of local government. Any failure on the part of the administrative mechanism of Local Government Corporations may be made up for, as to the specific projects or services, by the mobilisation of *associations*, which, moreover, may (Article 102 III of the Constitution) be enforced.

### 9.1. THE RESPONSIBILITIES OF THE MUNICIPALITIES AND THE COMMUNES

Competence for "all" local affairs (so-called "universality-principle") is provided in Art. 24 I of the Municipal Code, while the "promotion of the social and economic interests and of the cultural and intellectual interests of their residents" is laid down as the "chief concern" of the first tier of local self government. The article in question then goes on to an indicative

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<sup>19</sup> See Council of State, 2026, 4152/1996.

("particularly") listing of municipal / communal responsibilities; many regulations which concern such responsibilities are to be found in several other laws. Thus, the most important of these responsibilities, by field of activity, will be given here:

In the field of *material and technical infrastructure*, the municipalities and the communes are responsible for the construction, maintenance and operation (also issuing local regulatory (normative) decisions on the terms of use) of:

- Water supply and drainage systems;
- Projects for the electric lighting of areas in public use, municipal road construction, flood control and land improvement works, squares and bridges;
- Green parkland, open-air areas in public use, municipal recreation facilities and children's playgrounds.

In the sphere of *general social welfare*, the municipalities and communes are responsible for the setting up and operation of nursery schools and crèches, founding hospitals, orphanages, day centers for senior citizens and centers for the open protection of the elderly, centers for the support and rehabilitation of persons with special needs, and the determination, by local regulatory decisions, of the terms of use and operation

As to *public health*, the municipalities and the communes are today responsible for:

- the construction, maintenance and operation of cemeteries, public baths and lavatories, and for the issuing of the relevant regulations;
- the issuing of permits for and the monitoring of the setting up and operation of all establishments and enterprises of public health interest, and the imposition of the relevant sanctions;
- the control of stray animals and the regulation of matters of public hygiene.

In the field of *education, culture and sport*, the municipalities and communes are responsible for:

- the setting up, construction and operation of infant schools and of schools for the teaching of music, dance, and art;
- the construction, repair and maintenance of school buildings;

- municipal / communal libraries, museums, art galleries, bands, and theatres;
- public stadiums and gymnasiums, municipal sports grounds and youth centers, and the regulation of the terms for their use and operation.

In the sphere of *urban planning*, the municipalities are responsible for:

- the issuing of an opinion on normative acts of state administration concerning urban planning or spatial planning ;
- the exercise of responsibilities having to do with the issue of building permits (only in some municipalities mentioned in presidential decrees).

As far as the *protection of the environment* is concerned, municipalities and communes, apart from some, which have already been mentioned (e.g., water supply, urban green spaces), concentrate several responsibilities for:

- street cleaning and disposal of waste;
- local regulations concerning noise, the protection of the seas from sources of pollution on land and of underground and surface water reserves from pollution;
- the utilization of alternative sources of energy;
- the setting up and operation of municipal or communal laboratories for the monitoring of waste and pollution;
- the issuing of an opinion on any administrative normative act of the state authorities which concerns the protection of the environment.

As to *road traffic, parking and public transport*, the municipalities and communes are

- traffic regulation, the classification of pedestrian areas and one-way streets, and traffic direction;
- the determination and operation of parking lots for motor vehicles, the regulation of matters of parking, and the monitoring of the observance of the relevant provisions;
- the administration of urban public transport, apart from those instances which are regulated by special provisions of laws (e.g., in the case of the Athens area);



- traffic lights and signs on municipal and communal roads, the naming of these, the placement of signs and numbering.

Of the many responsibilities concerned with the *local economy*, the following should be mentioned:

- the determination of the terms of operation of municipal markets, trade fairs, the local market, children's recreational facilities, theatres, cinemas, night clubs, bars, and similar establishments;

- the granting of permits for street traders, advertising, the operation of canteens in areas in public use, the use of public areas, the setting up and operation of children's recreational facilities, theatres, cinemas, for the use of music in clubs, the participation of traders in a market, the carrying on of fixed open-air trading, etc.

- the setting up of municipal / communal enterprises with the purpose of profit or the economic exploitation of projects which offer services to the public.

## 9.2. THE RESPONSIBILITIES OF THE PREFECTURAL SELF- GOVERNMENTS

The Prefectural Self-Governments have general competence for local affairs at the prefectural (or "nomos") level. The 1994 legislator laid down as the 'mission' of the Prefectural Self-Government the "economic, social and cultural development of their territory" (Art. 1, Act 2218/1994), and he also laid down the general rule that the Prefectural Self-Governments undertake - after setting in operation (1995) their own administrative services - the 'relevant' decision-making competence on local affairs of the prefects and prefectural services, in accordance with the legislation in force at the time. That is to say, in the case of the second tier of local government, the indicative listing of responsibilities following the precedent of the Municipal Code was avoided. Thus, disputes have arisen as to the earlier legislation - of 1995 - which speaks of 'prefects' and 'prefectural services', while the more recent provisions on the responsibilities of the Prefectural Self-Governments are scattered over many acts of legislation, and only a comparatively small number has been collected in Article 2 of Act 2647/1999, which deals with several fields (agriculture, health, transport, etc.) of the administrative responsibility of the Prefectural Self-Governments. Of the duties exercised today by the second tier of local government, it is worth mentioning, by way of indication, those which concern the design, construction, policing and maintenance of public works at a prefectural level, the monitoring of private clinics and dietary units, the subsidization and monitoring of public-benefit institutions, economic support or emergency care for the indigent, the

implementation of public health programs, the monitoring and determination of public transport bus timetables, participation in the procedures of town planning, the granting of permits for itinerant open-air trade and for a large numbers of occupations and professions (e.g., pharmacists, dentists, beauticians, hairdressers, etc.).

Looking at the tasks that predominate the activity of the Prefectural Self-Governments, it can be stated that these tasks rarely concern local matters, but usually involve the local implementation of functions exercised in the same terms throughout the country; in other words, the activities of the Prefectural Self-Governments still bear the stamp of their state-run predecessors' style and working methods. Many of the prefectural responsibilities concern supervision of compliance with regulations: health controls on food and animals, prevention of olive tree disease, monitoring the fishing fleet and aquaculture, monitoring the use of structural fund grants, which are managed and paid directly by the central government (particularly in agriculture). So, many of the powers actually exercised by the Prefectural Self-Governments are in fact supervisory, and do not really lend themselves to the framing of overall policies at the prefectural level. What the Prefectural Self-Governments really lack are genuine powers in local matters. Moreover, 99% of their resources come from central government. Sometimes, too, powers are inconsistently assigned: for example, the committee, which decides on entitlement to disability benefits, is a regional committee, chaired by the Secretary General of the Region, but benefits are managed and paid by the provinces.

However, law defines the powers of the prefectural councils in terms, which would allow them to extend the range of their activities. They have power (Art. 13 of Act 2218/1994), inter alia, to set taxes, fees, charges and rates; expropriate property; sell, exchange or donate property, and establish title; authorise the use and leasing of moveable and immovable property; purchase and rent moveable and immovable property; contract loans; adopt public works programmes; plan, implement and maintain civil engineering projects; protect and develop areas; set up cultural and social service centres; award contracts for the provision of services and the completion of works and programmes; establish legal persons and enterprises, or hold shares in such enterprises. These powers would make it possible to devise and implement local policies, as happens in other countries where the laws are much the same. But the lack of important prefectural property and the lack of really independent resources, combined with the burden of several duties that cost a lot of money, prevent the provinces from doing this in Greece; The example of the Prefectural Department of Piraeus shows how little room for manoeuvre the Prefectural Self-Governments have. Out of a budget of 64 million euros in 2001, 22 million were earmarked for statutory disability benefits, 25 million for the salaries of the province's staff, and 25 million for social security expenditure on the health bills of civil servants resident in the province. The Directorate of Programming and Planning has only 6 million euros to cover all the activities for which it is responsible (roads, some school buildings,

etc.). That means that, according to the “best case scenario”, it can attend only to maintenance.

Furthermore, during the previous years, the Prefectural Self-Governments have lost several responsibilities. For example:

-A Ministry of Health and Social Security agency overtook the responsibility for health care for persons covered by state health insurance, and of provincial staff previously working in this area

-Responsibility for labour inspections, and of the prefectures' powers in this area, have been transferred to a labour inspectorate established within the Ministry of Labour;

-Prefectural responsibilities in education, with the exception of those relating to school buildings, school transport, approval of school outings and other local issues have been transferred to the Ministry of Education

-Transfer of all prefectural powers concerning special education establishments (for people with special educational needs) to the Ministry of Education

-A state-owned company, not the Prefectural Self-Government, is now responsible for building schools in Attica

-The Ministry of the Aegean overtook the prefectural responsibilities for building supervision and urban planning

-The responsibilities for agricultural training and development centres have been transferred to a Ministry of Agriculture agency, the Vocational Training and Employment Organisation;

But there are also measures tending in the opposite direction. For example, Act 2647/1998, made the Prefectural Self-Governments responsible for authorising the storage and transport of fuel, licensing heating oil retailers, defining protected areas and destroying illegal crops in those areas, regulating the use and management of pastureland, supervising health care in private clinics, approving agreements on inter-city transport between non-adjacent districts, and issuing camping permits for nomads. Acts 2738/1999 and 2839/2000 transfer responsibility for existing port authorities to the Prefectural Self-Governments and the municipalities (depending on their size), and also responsibility for the establishment of inter-municipal port authorities. But again, unfortunately, most of the new prefectural responsibilities simply give supervisory and administrative powers. Only the transfers relating to ports have a political dimension. So, the future of the Prefectural Self-Governments, eight years after the

“municipalisation” of the Prefectures, still seems to be uncertain. There are considerations, that the second tier of local government should “move” to the regional level, since the Prefectural Self-Governments are “put under pressure” on both sides, between the strengthened municipalities of the first tier and the Regions.

**Synopsis**

- A significant portion of the competence of public administration is today exercised by the Local Government Corporations
- The exercise of independent responsibilities for local affairs is not always left to Local Government’s discretionary power, since some of them concern services which are essential, inter alia, for public health
- Many of the powers actually exercised by the Prefectural Self-Governments are in fact supervisory, and do not really lend themselves to the framing of overall policies at the prefectural level

## 10. STATE SUPERVISION

The systems of monitoring public administration also, as a rule, cover local government. Thus, both the *judicial* and the *public finance control* of the administration and the various more recent institutions (institute of auditors of public administration, the 'Ombudsman', etc.) function in the case of the Local Government Corporations. This complex of controls is completed by state supervision, which is provided in the Constitution itself (Art. 102 V), has as its purpose to ensure the unity of public administration, the safeguarding of legality, and the effective protection of the rights of individuals.

All the *acts* of the collective organs of the local government corporations (municipal councils, prefectural committees, etc.) and of the public law legal persons established by local government corporations are forwarded to the Secretary General of the region, who checks them at a first stage and refers those which he considers illegal, with reasoning, to a special *supervisory committee*, at least one of which operates in each region. This administrative organ of the State consists of one member of the Legal Council of the State, as its chairman, and two senior civil servants of the region, and annuls those acts referred to it which it judges to be unlawful. Moreover, any *registered resident* or anyone having a legal interest may have direct recourse to the supervisory committee against any act of a *collegial* or *single-member* organ of a municipality. In the case of Prefectural Self-Governments, recourse may be lodged only against acts of *collegial* organs, and only by those who having a legal interest. In the particular case of acts of a *single-member* organ of a Prefectural Self-Government (President, Prefect, or Assistant), there is provision for the lodging of a recourse by anyone who has a legal interest with the secretary general of the region, who may himself then annul the act in dispute.

State supervision is, of course, exercised over the *persons* who make up the organs of the local government corporations (so called "disciplinary" supervision). Thus, the Secretary General of the Region may, by a reasoned decision on his part and with the consent of a five-member *special council*, impose certain penalties on them. These are, more specifically, the penalty of *suspension for up to three months* for a serious dereliction of their duties or the exceeding of their competence by deliberate action or heavy negligence, and the penalties of *suspension or forfeiture of office* in certain more particular cases which are stipulated by law (e.g., arbitrary absence or abstention from their duties, Art. 98, 104, of the Municipal Code). The legislation also continues to provide for the penalty of *dismissal* "for grave reasons of public interest"; this is imposed, with the consent of a special council, by a decision of the minister in the case of municipalities and communes, or by presidential decree in that of Prefectural Self-Governments.

It should be noted that all these *special disciplinary councils* meet in public, and consist in the majority (three of the five members) of regular judges, while a representative of the Association of Local Government Corporations serves as a member. The relevant procedure involves a defense, representation by a lawyer, and the examination of witnesses. Recourse to the Minister of the Interior can be lodged against decisions of the Secretary of the Region that impose a penalty of suspension or forfeiture, while a recourse to the Council of State (which also judges the case as to its substance) is possible against his decision.

**Supervision**

-State supervision, which is provided in the Constitution itself (Art. 102 V), has as its purpose to ensure the unity of public administration, the safeguarding of legality, and the effective protection of fundamental freedoms.

-Any registered resident or anyone having a legal interest may have direct recourse to the supervisory committee against any act of a collegial or single-member organ of a municipality

## 11. FINANCES

In Greece, local government does not enjoy self-sufficiency in terms of taxation (Art. 78 of the Constitution), and thus the Constitution (Article 102 V)) imposes on the State the duty of 'concerning itself' to ensure the necessary resources. The law, however, also provides for independent revenues, over which the municipalities, the communes and the prefectural self-government have some control, and transfers from government, which allocates a proportion of certain national taxes, and also makes grants, to them. Transfers are usually more important, but the reverse may apply in towns. The local government corporations, as public law legal persons, possess private and public (municipal / communal, Prefectural) property, compile a budget and balance sheet, are subject to special restrictions as to their expenditure, are subject to special provisions as to their accounting system, and are monitored in terms of public finance by the Court of Accounts (Article 98 of the Constitution), while many of them form their own service unit for their funds. With regard to spending, it should be mentioned that investment expenditure scarcely features in local budgets, prefectural or municipal. Local investment expenditure is almost entirely funded by the state, and from the EU structural funds, but the corresponding resources do not appear in local budgets. So, it is very difficult to have an accurate image of the financial situation of local government in Greece.

According to the law, the revenues of local government can be divided into *ordinary* and *extra-ordinary* ones:

Those which are ordinary, are derived from:

- (a) taxes, duties (ordinary and user charges), royalties and contributions;
- (b) income coming from municipal/communal/ prefectural property
- (c) statutory resources and regular subsidies from the state budget,

Those which are *extra-ordinary*, are derived from:

- (a) loans (just 2% of total revenues), gifts, bequests and inheritances;
- (b) saling (or "privatising" property);
- (c) extra-ordinary subsidies from public agencies;
- (d) funding from the European Union or other international organisations;
- (e) any other source.

The revenues of local government could also be categorized into *independent revenues* and *transfers*. For the municipalities and the communes, the most important sources of revenue are the road and street-lighting duties, the beer tax, the property tax and several fees for services, such as market charges, charges for cemeteries, charges for the use of slaughter-houses etc.. In several coastal areas the tourist tax is an important source of revenues. The road and street-lighting tax is assessed on the area occupied or used (for business premises), multiplied by a set factor (which is different for residential and business premises). Property tax is assessed on floor area and takes account of the location (value of the area) and state of the building (rental value calculated by the national tax department). The national electricity company collects these two taxes for local authorities, when electricity bills are paid - which ensures a very high level of collection. Other taxes and fees are levied directly by local authorities, with the exception of the beer tax, which is levied by the state and repaid to local authorities. Since 1994, local authorities have been able to adjust the factors applied to property to determine the sum due, and this gives them some power in tax matters. However, an Act of 2000 again reduced this room for manoeuvre considerably, since the factors applied may not increase tax above the inflation rate. It should be noted that official data on total independent revenues of the local government corporations have not been published during the last years, so that a rather confusing image exists.

Detailed national figures also do not exist for the finances of the Prefectural Self Governments<sup>20</sup>. The latter depend even more on state grants. Prefectural Self Governments have small budgets, essentially based on transfers from the central state budget, but make little use of some of the powers conferred on them by law because they are still not organised enough to collect taxes, charges and duties, or because the politicians are afraid that the citizenry would protest against "over-taxation". Independent revenues would, however, give the Prefectural Self Governments more freedom of action. Compensatory fees, charges and rates can be levied by the provincial councils for services or works which help to improve quality of life, provide the public with better services, and develop the area covered by the provincial administration. This option seems to be little used, although it would make it possible to raise independent revenue to fund specific projects.

Taxes, fees, charges and rates set by law are a negligible part of prefectural revenues. Ordinary resources essentially come from the special grants and the so-called central autonomous funds (s. below). "Extraordinary" revenue, such as Fees for the use of works financed by loans (used to repay those loans) or loans are little used, while the Prefectural Self-Governments also receive little in the way of national or EU grants. Investment funding

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<sup>20</sup> This has also been stated by the CLRAE Report (2002). See Congress of Local and Regional Authorities of Europe (CLRAE): The situation of local and regional democracy in Greece. Report (unpubl.) Strasbourg, May 2002.



seems to lie largely outside the Prefectures' control, and to be a matter for the Secretary Generals of the Region and municipalities.

For the great majority of Local Government Authorities revenues that cover ordinary expenditure come mainly from the *Central Autonomous Funds (CAF)*, that is, the share of local government in revenues of the state budget (collected by state services). The Central Autonomous funds are, more specifically, derived from:

(a) in the case of *municipalities* and *communes* (Act 1878/1989):

- the income tax of natural and legal persons (20%), subject to deduction of a third of that 20%, which is used to cover investment expenditure
- 50% of revenue from the annual vehicle road tax;
- 3% of property sales tax;
- 20% of revenue from the tax on bank interest.

Table 7: Transfers from the Central Autonomous Funds (in mil.Eur.): First Tier<sup>21</sup>

<b>Central Autonomous Funds</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
20% of income tax	<b>803,45</b>	<b>895,33</b>	<b>917,56</b>
50% of annual vehicle road tax;	<b>127,22</b>	<b>152,60</b>	<b>152,60</b>
3% of property sales tax;	<b>15,12</b>	<b>20,57</b>	<b>22,42</b>
20% of revenue from the tax on bank interest.	<b>87,31</b>	<b>67,50</b>	<b>67,50</b>
Other	<b>106,00</b>	<b>111,99</b>	<b>117,39</b>
<b>Totals</b>	<b>1.139,10</b>	<b>1.247,99</b>	<b>1.277,47</b>

Source: Ministry of Finance: 2003

(b) in the case of the Prefectural Self-Governments:

- 15% of revenue from the annual vehicle road tax;

<sup>21</sup> The total sum of transfers from the central state budget to the municipalities and the communes has 1.473 million Euros in 2002.

- 10% property sales *tax* on buildings, building sites and agricultural land
- 2% Additional Value Tax
- 4,5%, *classification duty* on passenger vehicles, trucks and buses circulating for the first time
- *duties for carrying out technical checks on vehicles.*

Table 8: Transfers from the Central Autonomous Funds (in mil.Eur.): Prefectural Self-Governments<sup>22</sup>

Central Autonomous Funds	2000	2001	2002
15% annual vehicle road tax	50,08	63,98	63,98
10% property sales <i>tax</i>	84,341	46,80	64,56
2% Additional Value Tax	199,03	205,43	198,03
4,5%, <i>classification duty</i> on vehicles	38,92	28,38	29,70
<i>Duties for carrying out technical checks on vehicles.</i>	39,76	41,09	40,29
Totals	412,10	385,68	396,48

Source: Ministry of Finance: 2003

Central autonomous funds are allocated to the Local Government Corporations by the Minister of the Interior and the Minister of Finance, and assigned first to major spending areas, and then to local authorities, on the basis of criteria decided by the Board of the Central Union of Urban and Rural Municipalities (KEDKE) and the Board of the Central Union of Prefectural Self-Governments (ENAE). Act 1828/1989 introduced central autonomous funds, but their amount was doubled between 1998 and 2002 under the Capodistrias Plan for amalgamations. In addition to these funds, various ministries make grants to cover spending in areas for which they are responsible, especially the Ministry of Education (spending on education), the Ministry of Health and Social Security, the Ministry of Public Order, and the Ministry of Culture.

Distribution among the local government corporations is based on the objective criteria: population, local authority area, number of wards, geographical situation (mainly whether they

are mountainous or islands), extent of the road network, level of social service spending. There seem, however, to be some major distortions in use of the population criterion: The official population in some major cities is sometimes 20-40% lower than the real one. This kind of discrepancy interferes seriously with the equalisation, which centralised funding of local authorities aims at.

### **Synopsis**

-In Greece, local government does not enjoy self-sufficiency in terms of taxation (Art. 78 of the Constitution), and thus the Constitution (Article 102 V)) imposes on the State the duty of 'concerning itself' to ensure the necessary resources.

-Transfers are usually more important, but the reverse may apply in towns.

-Local investment expenditure is almost entirely funded by the state, and from the EU structural funds, but the corresponding resources do not appear in local budgets.

-For the great majority of Local Government Authorities revenues that cover ordinary expenditure come mainly from the Central Autonomous Funds (CAF), that is, the share of local government in revenues of the state budget (collected by state services).

-Various ministries make grants to cover spending in areas for which they are responsible

-It is very difficult to have an accurate image of the financial situation of local government in Greece.

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<sup>22</sup> The total sum of transfers from the central state budget to the Prefectural Self-Governments has been 1.188, 2 million Euros (out of which more than the half have been spent in order to cover the costs of

## 12. HUMAN RESOURCES

The public service system in Greece is a career system: officers are recruited at the base of a pyramid and advance progressively to higher posts. Security of employment for civil servants has been guaranteed since 1911. The current constitutional status for civil servants is also applied for employees of local self-government authorities (Art. 103 VI). Civil servants have tenure and they have an obligation of political neutrality. Civil servants are recruited at the lower echelons and advance through promotions at the higher levels of bureaucracy. Public sector personnel, including those in central government and its deconcentrated units, and in self-government corporations, are classified into categories and grades. Categories are determined according to level of education and professional and specialised skills may require specific qualifications. Grades and posts are not automatically linked; such that, for example, grade A (a high grade) employees do not necessarily hold the post of a unit head. Apart from seniority, education level and performance appraisal are important criteria for career advancement.

In addition to the established civil servants, public services employ people on a contract basis, i.e. private law contracts of indeterminate or fixed duration, or private law contracts for specific works that have to be accomplished (so-called 'works'-contracts). Officers with private law contracts of indeterminate duration occupy special posts allowed for in the service organisation chart (scientific staff, for example) and enjoy, actually, the same benefits as the public servants do. Employees with private law contracts of fixed duration should be recruited in order to meet temporary, unforeseen or urgent service requirements.

For budgetary reasons, restrictive measures on hiring of public sector personnel have been introduced by the beginning of the eighties and, to a great extent, are still in power. However, certain exceptions have been allowed (for categories of special nature or with particular functions, such as teachers and doctors). The fact, that these exceptions but also private law contracts should be approved by a governmental committee created an extremely centralist system, which, however, could not avoid clientelistic practices. Local government authorities certainly belonged to the losers of this system, since they had less power of influence than, for example, big public enterprises and Ministries. However, they have been able to hire personnel through their municipal enterprises (s. below) or, to a certain extent, on a private contract basis that had been approved. For some years, municipal employees (especially the ones working for the services of garbage collection) working on a temporary contract basis would strike, in order to obtain, by special law, the status of employees with private law contracts of indeterminate duration (which can hardly be fired).

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health and hospital services for public employees).

In view of such problems, the amended Constitution explicitly prohibits giving tenure by law, or changing the temporary status of contracts with employees of the public sector. On the other hand, the selection procedures for the staff (the 'human resources') of local government had been made subject (since 1994) to an independent body, the High Council for the Selection of Personnel (well-known under the acronym 'ASEP'). This independent authority oversees the selection process and ensures the respect of the principles of merit, impartiality and transparency. Nowadays, selection takes place by competitive examination or a form of point-system, depending on the specialties and qualifications required. Successive laws have tightened up recruitment procedures and the system of contract appointments, in order to prevent over-staffing and guarantee impartiality and merit. The High Council for the Selection of Personnel closely monitors recruitment and selection.

The recruitment procedures, however, need a lot of time in order to be accomplished. Since many additional duties have been transferred, during the last decade, to the local government, it was necessary to accelerate the procedures, in order to face the never-ending, paralyzing under-staffing of local government authorities. For this reason, recently, recruitment procedures have been "deconcentrated", while the High Council for the Selection of Personnel now simply supervises, ex post, the legality of these procedures.

Table 9: Public sector employment by level of government<sup>23</sup>

	1981	1985	1990	1995	1999
State Administration	111.720	125.662	118.642	112.133	103.293
Public law establishments	66.091	73.154	108.663	112.583	116.479
State enterprises	148.788	159.666	213.809	133.181	128.361
Local Government	24.429	29.440	41.905	47.582	51.406
Total	351.028	387.922	497.931	405.479	399.593

Source: Ministry of Interior, Public Administration and Decentralisation: 2000b

Although formally enjoying the same constitutional status, local government employees are usually worse paid and have fewer career perspectives than their colleagues working for state administration. Furthermore, mobility between levels of government and between different

<sup>23</sup> The following numbers do not include some categories of personnel, which are registered in a different way: These categories are: military personnel, policemen/women, diplomats, teachers and professors, judges and doctors (a total number of about 300.000 persons). Not included are also persons employed on a temporary basis, as well as the ca. 17.000 employees of municipal, prefectural or "mixed" (semi-municipal or semi-prefectural) enterprises (s. below, table for the number of these enterprises).

Ministries and their branches is very limited. Even within state administration, transfer of employees is usually made on the basis of a point system and in practice transfers are rare and temporary detachments are preferred. A civil servant's career is most likely to start and finish within the same Ministry. A real threat to the newly established prefectural self-governments used to be the tendency of their staff, who until recently had enjoyed the status of state civil servants, to seek a transfer to services remaining under the authority of the state, for fear that their promotion or retirement prospects would suffer under their new status as local government employees.

Apart from rigid legal restrictions concerning recruitment and mobility, local government has practically no possibility (apart from the personnel of municipal enterprises) to develop a human resources management system of its own. Negotiations between employees and employers are organized nationally, given that salary increases and other claims are settled at the level of central government. In the case of local government, although the employer is the authority concerned, bargaining is conducted with the central government (especially the Ministry of Interior and the Ministry of Finance). Managerial autonomy on pay is limited to appointments to posts of heads of units, which carry a special salary allowance, or to granting certain additional benefits. Compared to Ministers or Secretary Generals of Regions, however, because of the very limited financial resources of local government, mayors and prefects have much less possibilities to mobilize their personnel through some kind of financial benefits. The whole formal status of local authorities' staff, although governed by a special code, is assimilated in its major aspects to that of the staff of the state public service, although the administration units of local government authorities have many peculiarities and, usually, a smaller size.

**Synopsis**

- The current constitutional status for civil servants is also applied for employees of local self-government authorities
- Although formally enjoying the same constitutional status, local government employees are usually worse paid and have fewer career perspectives than their colleagues working for state administration.
- Mobility between levels of government very limited.
- Local government has practically no possibility (apart from the personnel of municipal enterprises) to develop a human resources management system of its own.

## 13. TRENDS AND DEBATES

### 13.1. LOCAL-CENTRAL RELATIONS WITHIN THE POLITICAL SYSTEM

While local government structures are on the move, it sounds like a paradox that the electoral law hardly changed during the last 28 years. The electoral norms provide for “governmental stability” during 4 years (which is the term of office of the elected people), not only in the municipalities but, since 1994, also in the newly established “Prefectural Self-Governments”, where the reformers opted for a time-honoured electoral system<sup>24</sup>. This electoral system, taken in conjunction with the fact that the mayor, elected for a four-year term, cannot be voted out, gives rise to the conditions for a 'monocracy' of mayors and prefects. For a long period there was a characteristic type of mayor who had a stronger affiliation to the supporting political party than to the local community and its particular interests. This can also offer an explanation for the amazing endurance of an electoral system, which rules out any institutional counterweights that could distract the mayor, so that he (or she) remains free to mediate directly between his (or her) local community and the state.

With the exemption of a few major cities, mayors usually come from the upper- and middleclass of self-employed people. Most of them would tend to specialise in local government politics; in the municipalities there is no legal limitation to the re-election of mayors<sup>25</sup>, while accumulation of mandates is prohibited by the Constitution (Art. 56) for mayors and prefects. So, traditionally, there is a clear distinction of roles (and carriers) between the “national” or ‘central’ (Ministers, MP’s) and the local politicians, apart from a handful of MP’s who are also Councillors in big cities. Up to the early nineties, the primacy of the centre was not called into question, while the organisational development of mass parties since 1974 has been subordinating the local communities more and more to mechanisms of influence and power that were controlled and guided by the centre.

This familiar picture was turned upside down in 1994, when several party-members stood for local government elections against the official candidates of their own parties. In quite a few cases, these “party-rebels” succeeded, sometimes against all odds. On the other hand, the newly established second tier of local government at the “prefectural’ level, seemed to give new chances for political careers. Many ambitious party cadres, but also some politicians who felt like losers at the central/national level, tried to use the opportunities offered by a promising new

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<sup>24</sup> See above, Chapter 8.

<sup>25</sup> In some Greek cities, there are mayors who have been re-elected three, four or even five times. Re-election of Prefects has been, however, allowed only once by law 2218/1994.

institution<sup>26</sup>. Furthermore, it was a time of acute crisis for political parties, trade unions and associations. For active citizens, which didn't want to "withdraw into privacy", the rising institutions of local government seemed to be the emerging arenas for political and social action<sup>27</sup>.

Local government elections in 1998 marked a further shift of local communities and local politicians towards emancipation from party imperatives. The major political parties had gradually been transformed from "mass-" into "cartel-parties" (Katz/Mair 1995: 5); their alienation from civil society seemed inevitable. Many local politicians were obliged to dissociate themselves from political parties in order to be accepted by the distrustful local communities. Several party dissidents took the chance to promote their distinct personal (or group) image and stood as candidates in spite of party decisions<sup>28</sup>, while party majorities demonstrated an astonishing tolerance, thus revealing that loyalties and ideologies were not so important for their catch-all strategies.

Furthermore, the traditional distinction between the local and the national politicians seems, meanwhile, to fade away. During the last general elections in April 2000, a considerable number of candidates already had a successful career in local government and risked a leap to the central political scene. Quite a few of these candidates have been elected as MP's, some of them even climbed high enough to become Ministers. Ambitious younger politicians especially tend to consider experience in local government as an integral part of their career planning. For Greece, this is certainly a positive development in comparison with the past, when party leaders, but also family traditions and networks (especially in the liberal-conservative party), or party hierarchies and trade unions (especially in the socialist party) were picking the candidates for parliamentary elections.

It would be too early to qualify these developments as "the end of centralist structures and mentalities within the Greek party system", but it is obvious that local politics are not any more the "playground for second-class politicians" that they used to be (with the exception of some major cities) in the past. Within this framework, what happened in Greece during the "second wave of changes" in the nineties seems to offer one more example of how deeply a political system can be affected by reforms in local government and administration.

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<sup>26</sup> According to a survey (Panteion University of Athens 1998), about 1/3 of the elected Prefects had failed, in the past, to be elected as MP's.

<sup>27</sup> According to a survey (Panteion University of Athens 1998), 51% of the newly elected politicians in the "Prefectural Self-Governments" had been members of trade unions and association boards and 58% used to be party cadres.

<sup>28</sup> The governing socialist party seemed to face the heaviest problems: There were (unofficial) estimations that socialist "party-rebels" stood as candidates in no less than 300 municipalities (the total number was 1033 municipalities). Quite a few of these "rebels" have been elected as mayors.



Table 10: Elected persons at the local level (municipalities/ communes) in 1998

Prefecture/ Nomos	No of Local Corporations	Mayors	Members of Municipal Councils	Presidents of Communities	Members of Communal Councils	Total Number of Elected members
Atoloakarnania	29	29	559	0	0	588
Argolida	16	14	238	2	12	266
Arkadia	23	22	352	1	6	381
Arta	16	13	235	3	18	269
Attiki	124	91	1919	33	228	2271
Achaia	23	21	453	2	12	488
Voiotia	20	18	302	2	16	338
Grevena	15	8	132	7	42	189
Drama	9	8	172	1	6	187
Dodekanisa	27	25	395	2	12	434
Evros	13	13	267	0	0	280
Evoia	27	25	469	2	12	508
Evrytania	11	11	153	0	0	164
Zakynthos	6	6	112	0	0	118
Ileia	22	22	452	0	0	474
Imathia	12	12	248	0	0	260
Irakleion	26	26	512	0	0	538
Thesprotia	10	8	140	2	12	162
Thessaloniki	45	43	813	2	16	874
Ioannina	41	28	434	13	78	553
kavala	11	11	239	0	0	250
Karditsa	21	20	372	1	6	399
Kastoria	15	12	180	3	18	213
Kerkyra	16	13	267	3	18	301
kefallinia	9	8	120	1	6	135
Kilkis	12	11	227	1	6	245
Kozani	19	16	310	3	18	347
Korinthia	15	15	311	0	0	326
Kyklades	31	20	318	11	66	415
Lakonia	22	20	336	2	12	370

Larissa	31	28	524	3	20	575
Lasithi	8	8	170	0	0	178
Lesvos	18	17	299	1	6	323
Lefkada	8	6	90	2	12	110
Magnisia	26	22	358	4	24	408
Messinia	31	29	481	2	12	524
Xanthi	10	6	128	4	28	166
Pella	11	11	257	0	0	268
Pieria	13	13	235	0	0	248
Preveza	9	8	166	1	6	181
Rethymni	11	11	195	0	0	206
Rodopi	12	9	191	3	20	223
Samos	8	8	130	0	0	138
Serres	27	22	450	5	30	507
Trikala	26	23	387	3	18	431
Fthiotida	25	23	413	2	12	450
Florina	12	8	158	4	24	194
Fokida	12	12	182	0	0	194
Chalkidiki	14	14	260	0	0	274
Chania	25	23	379	2	12	416
Chios	10	10	150	0	0	160
TOTAL	1033	900	16640	133	844	18517

Source: EETAA (Municipal Company for local development): 2000.

### 13.2. CITIZEN PARTICIPATION: STILL A QUESTION?

During the eighties, citizen's direct participation was one of the top issues for the local government reform agenda. More recently, public debate on local democracy seemed to focus rather on questions of local checks and balances that could counterbalance the traditionally strong mayors and local majoritarian practices. The revision of the Constitution in 2001 gave the chance to the liberal-conservative opposition to come up with a proposal to introduce a new paragraph that would explicitly allow decisions through local referenda. The socialist majority, however, threw out this proposal. Having in mind the bad experiences of the past, but also the ongoing conflict between the government and the Greek Orthodox Church, which was making a campaign for referenda, the Greek socialists were afraid that such institutions would

be used as instruments of opposition. Therefore, majority speakers argued that the “traditionally close relationship between the citizen and his directly elected mayor”, combined with existing institutions of direct participation would be enough for our “representative democracy”. Only in the metropolitan areas, it has been admitted, that deficits in local democracy and representation do exist.

The socialist position didn't harmonise with the old participatory rhetoric of the party, but it actually honoured a long majoritarian and not at all consensual, representative and non-participatory tradition of Greek politics. It is characteristic, that Article 44 of the Greek Constitution, which provides national referenda, has never been used during the previous three decades. The local “participatory experiments” of the eighties have rather been used in order to mobilise or recruit party members. The Greek political parties have systematically “colonised” the civil society of the country and still dominate most of the interest groups, thus being, vice versa, particularly vulnerable to their pressures<sup>29</sup>. It is obvious, that unadulterated participatory practices would not fit in with these patterns, so that it is quite possible that even the liberal-conservatives would not really be in favour of local referenda, when they come back to power.

Nowadays, direct election of mayors and “personalised” voting, combined with new forms of political communication through local media, already tend to put into question the unchallenged position, up to the early nineties, of political parties in the local political arenas. But local government is still not responsible for major issues (such as physical planning, local hospitals, school services etc.) concerning the local community, while the available resources are quite limited anyway. The citizen knows that political decisions concerning his community are usually taken in Athens, sometimes at the level of the Region. Therefore, local referenda and other participatory institutions would rather be used by the citizen in order to complain, or in order to promote issues, which are, in his view, “neglected” by the representative “establishment”, such as illegal immigration, criminality and “rigid restrictions” of property rights, just as it already happened in the very few cases where informal local referenda have been organised, during the last years.

Unlike decentralised countries with consensual traditions, local democracy in still centralistic Greece is strongly majoritarian and tends to polarise. Furthermore, there is a systemic overload of political representation (a huge number of mayors and councillors until 1998, still a big number of elected persons), while local politicians in office are usually not favourable to active citizens (mutual distrust). Therefore, even if further devolution of power to the local level would take place, it doesn't seem possible that new participatory institutions would be introduced and widely practised in the near future.

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<sup>29</sup> Mavrogordatos 1993: 52.

**Synopsis**

-The Greek political parties have systematically “colonised” the civil society of the country and still dominate most of the interest groups, thus being, vice versa, particularly vulnerable to their pressure.

-The citizen knows that political decisions concerning his community are usually taken in Athens, sometimes at the level of the Region.

-Local referenda and other participatory institutions would rather be used by the citizen in order to complain

-Local democracy in still centralistic Greece is strongly majoritarian and tends to polarise

**13.3. EVER HEARD OF “NEW PUBLIC MANAGEMENT”?**

Beginning from the middle-eighties, a new, demanding social environment stimulated several local politicians to use the possibilities offered by law for creating municipal enterprises, not only in order to develop entrepreneurial activities, but also in order to privatise, formally, municipal services. Indeed, mayors who tried to avoid legal and financial restraints, as well as state controls and restrictions on human resource management, have extensively used this kind of organisational by-pass for the more effective provision of local services. It was no secret that most of the local policies, which were decided in the town halls of the cities, have been enforced through these municipal enterprises (National University of Athens 2001: 137), while in a growing number of cases contracting-out and co-operation with private firms (especially in traffic and parking management) or NGO's (especially in social services) have been combined to such practices.

Table 11: The development of the number of municipal enterprises (1984-2000)

Year	1984	1985	1986	1987	1988	1989	1990	1991	1992
Number	73	104	135	158	212	278	326	360	397
Year	1993	1994	1995	1996	1997	1998	1999	2000	2001
Number	446	606	707	862	892	1101	1169	1221	1347

Source: Research by the National University of Athens (Department of Political Science and Public Administration) – including the municipal enterprises for water supply and sewage: 2001

The fast-growing number of municipal enterprises created fears that the country's hard struggle to fulfil the Maastricht criteria could be undermined by “irresponsible mayors” who tended to expand their activities, hire employees and spend money, while the rest of the state was economising “to the limits”. After all, the municipalities managed nearly 10% of the human and financial resources within the public sector. In 1997, human resource management, works

and procurements on behalf of the municipal enterprises have been submitted to legal restraints and state supervision. Some mayors tried to by-pass these restraints through close co-operation with private entrepreneurs, but activities that included the exercise of public power had already been excluded from public-private partnerships through court decisions<sup>30</sup>. In many other cases, there was a tendency to decentralise the municipal administration through the establishment of “municipal legal persons” according to public law. The number of these legal persons climbed up from 1.238 in 1997 to more than 2.000 in 2002<sup>31</sup>. These specialised units with their own budget, their own personnel and their own board (the members are councillors, citizens and employees) are mainly involved in social welfare (nurseries, sport-centres, “open clubs for the elderly” etc.), offering a wide range of services and mobilising an important number of volunteers<sup>32</sup>, but they have to cope with the same rigid legal restraints that often paralyse the rest of the municipal administration.

At the same time, the Ministry of Interior, sometimes in co-operation with the National Association of Municipalities, introduced several measures, in order to promote the “modernisation of public administration”, including methods of new public management (NPM). Throughout the country, hundreds of “one-stop-shops” (so-called “service centres for the citizen”) have been established, charters of “citizen’s/user’s rights” and “customer-orientation” have been declared, “total quality” programs were implemented, “performance indicators” were introduced, and several authorities had to go through “evaluation-procedures”. While the “one-stop-shops” are quite a success, the rest of the “NPM-initiatives” seem to lose their way inside the labyrinth of the Greek bureaucracy, since they are not offering, for the time being, much more than a symbolism of “modernisation”.

Inside the prefectures and the municipalities, resistance to government imperatives for new public management isn’t only coming from the employees, but also from local politicians who are not willing to spare important fields of clientelistic practices. While the latter seem to be rather unhappy about these “neo-liberal and technocratic methods”, other mayors and councillors are glad that one-stop-shops are relieving municipal administrations, and plan to use competition, evaluation and performance indicators in order to put their own staff under pressure.

These contradictory tendencies within local government were once again reflected recently when a law introduced a new system of accounting and budgeting, according to the model of private companies. Although the National Association of Municipalities explicitly approved and promoted this system, in many cases, municipal employees, mayors and councillors are trying

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<sup>30</sup> See CLRAE 2002.

<sup>31</sup> See Peta AC: Municipal legal persons. Research report (unpubl.) 2003. These numbers do not include the so-called *School committees*, which handle credits to meet the expenditure of schools and manage school property.

<sup>32</sup> See Peta AC 2003.

by any means to undermine a reform that would promote transparency and accountability within their municipalities.

There is no doubt that the government's half-hearted effort to promote methods of NPM is due to financial restraints and European regulations, but also –to a minor extent- to public pressure for “better services” and “less bureaucracy”. The private sector is too fragile or too state-dependant to push effectively towards “marketisation”. The Greek socialists are still following an ideology, which perceives liberalisation and substantial (not simply organisational) privatisation as a threat to the welfare state. Furthermore, most of the party members are public employees<sup>33</sup> while deregulation would certainly not fit in with the kind of “machine politics”<sup>34</sup> that the socialist party has successfully been practising during the last two decades. It is quite characteristic that the so-called “modernisation” of public administration in recent years was mainly oriented to the redistribution of power and resources, while the aspects of effectiveness and efficiency were rather neglected. Finally, it should be borne in mind that despite the remarkable devolution of power, Greek local government is still not very important for the delivery of welfare services, so that the probability of local efficiency reforms in times of crisis is lower than in decentralised countries, were the municipalities are essential service providers.

#### **Synopsis**

-Inside the prefectures and the municipalities, resistance to government imperatives for new public management isn't only coming from the employees, but also from local politicians who are not willing to spare important fields of clientelistic practices.

-The government's half-hearted effort to promote methods of New Public Management is due to financial restraints and European regulations, but also to public pressure for “better services” and “less bureaucracy”.

-Reform of public administration in previous years was mainly oriented to the redistribution of power and resources, while the aspects of effectiveness and efficiency were rather neglected.

-It should be borne in mind that despite the remarkable devolution of power, Greek local government is still not very important for the delivery of welfare services.

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33 Pridham/ Verney 1991: 49,

34 Mavrogordatos 1997

### 13.4. STILL PENDING: REFORMS IN THE METROPOLITAN AREAS

Although the time and the scope of a metropolitan reform were far from being clear, the socialist majority voted for the amendment of a paragraph in the Constitution concerning municipal syndicates/associations, in order to facilitate the establishment of multi-purpose metropolitan association<sup>35</sup>, which would be, in the future, one of the options coming into question. For the time being, Ministries or state-controlled quangos exercise quite a few functions of metropolitan administration, while local government structures remain fragmented, since the two major metropolitan areas of the country (Athens-Attica and Thessaloniki), which concentrate nearly the half of the country's total population, have been exempted from the "Capodistrias-Plan" of amalgamations<sup>36</sup>

In 1994, the Athens-Piraeus "Unitary Prefecture" had been established in order to cover a major part of the metropolitan area. The directly elected President of Athens/Piraeus could have played, theoretically, a crucial role as a local leader, if this new entity would have obtained some important metropolitan responsibilities and, of course, the necessary resources; But neither happened. The reformers built up the sub-divisions of the "unitary prefecture", the so-called "prefectural departments"<sup>37</sup>, which became stronger than the unitary prefectural level. It seems that neither the responsible Ministers, nor the country's political elite in general would be willing to allow the emergence of an important new pole of political power within the center of a centralist country.

The fact that this perspective of a metropolitan government has been successfully blocked, did not mean one could avoid the necessary reforms of metropolitan governance in the face of the challenges due to the city's nomination for the Olympic games of 2004. A new entity, named "Athens 2004" concentrated the main responsibility for co-ordination and the promotion of several projects. Due to the "olympic pressure", several issue- and project- based mechanisms of co-ordination have been established, in most cases including social and private organisations as partners. Public awareness for the metropolitan problems in Athens has grown a lot, compared to the past. The implemented modes of metropolitan governance, although structured by single issues and projects associated with the Olympics, did promote ties among sectors and agencies but also between them and the citizens. The public debate about the Olympics revitalised the public debate about reforms and long-term strategies for the metropolitan area of Athens/Attica, while it initiated a kind of "reflex-debate" on reforms for the metropolitan area of Thessaloniki.

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<sup>35</sup> See above, Chapter 3.

<sup>36</sup> See above, Chapter 6.

<sup>37</sup> See above, Chapter 8.2.1

For the case of Athens, three major options concerning the future form of metropolitan governance have been debated. These are:

- a) The establishment of a “Metropolitan Regional Authority” with appointed General Secretary and directly elected Metropolitan Council (mixed form)
- b) The creation of “Metropolitan Regional Authority” with directly elected Chief Executive and Council (second tier of local government).
- c) Setting up a strong “Metropolitan Association of Local Authorities” (“Kommunalverband”).

Out of these three options, the second one seems to have less chances to be realised, since the national political elite (as already out pointed), would not allow the emergence of a new institution, such as a directly elected chief executive o major Athens, that could lean upon 40% of the total voting population of the country. The central government seems to favour of the first option, while the mayors for Attica do their best in order to promote the third one (so that their participation in decision-making for Athens would be enhanced). These mayors are no alone, since they can count on the support of the parliamentary opposition (that would obtain more influence through the third option), but also on the “majorisation-fears” of many athenian municipalities and their citizens. On the other hand, the central government holds the key of national legislation though its parliamentary majority. Finally, one should not let aside that so-called “political climate”: If the government feels strong enough, it is possible that a metropolitan reform according to the first option will take place. If not, the third option (as a “compromise-option”) will be realised. But all this could happen after the storm of the Olympics.

#### **Synopsis**

-Ministries or state-controlled quangos exercise quite a few functions of metropolitan administration, while local government structures remain fragmented.

-Neither the responsible Ministers, nor the country’s political elite in general would be willing to allow the emergence of an important new pole of political power within the center of a centralist country.

-The implemented modes of metropolitan governance, although structured by single issues and projects associated with the Olympics, did promote ties among sectors and agencies but also between them and the citizens



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## GLOSSARY

**CENTRAL AUTONOMOUS FUNDS:** The share of local government in revenues of the state budget (collected by state services), distributed among the local government corporations on the basis of objective criteria (population, area, road network etc.).

**DECONCENTRATION (“A POKENTROS”):** A constitutional principle (Art. 101) for the organization of state administration according to which, the whole country is divided into administrative districts, where multi-sectional units of state administration (nowadays: the Regions), headed by an organ with decisive powers (nowadays: the Secretary General of the Region), are established.

**DEMOS (“MUNICIPALITY”):** An organizational type for the first tier of local government, originally addressed to cities and towns, nowadays also implemented for rural areas where amalgamations took place

**KOINOTIS („COMMUNE“):** A simplified organizational type for the first tier of local government, addressed to rural areas and villages.

**LOCAL GOVERNMENT CORPORATION (“ORGANISMOS TOPIKES AUTODIEKISIS”):** A “territorial” public law corporation, responsible for local affairs and directed by organs elected by universal suffrage.

**NOMOS:** A geographical-administrative division of the territory of the state, launched in 1833.

**NOMARCH/PREFECT:** The head of the administrative unit of the Prefecture (“Nomarchia”), which has been “communalized” in 1994.

**NOMARCHIA/PREFECTURE:** Originally a deconcentrated administrative unit of the state, nowadays, it is the administrative unit of the second tier of local self-government.

**PERIPHERIA/REGION:** A geographical-administrative division of the state, launched in 1987, nowadays the main deconcentrated unit of state administration, headed by the Secretary General of the Region (“Peripheria”).

**PERIPHERAL ORGANS:** A general term, including all organs of the state, which exercise competence only within the boundaries of a geographically limited territory of the state. A

“classical” peripheral organ used to be the Nomarch (1833-1994); nowadays, the most important peripheral organ is the Secretary General of the Region.

PREFECTURAL SELF GOVERNMENT (“NOMARCHIAKI AUTODIEKISI”): The organizational type for the second tier of local government, launched in 1994, at the level of the “nomos”.

STATE SUPERVISION (“KRATIKE EPOPTeia”): Supervision exercised by organs of the state over the acts of local government organs. Nowadays, this supervision is limited to the control of legality.

TOPIKE AUTODIEKISI (“LOCAL SELF-GOVERNMENT”): According to the prevailing view in Greek legal doctrine, local self-government (a term corresponding to the German term “kommunale Selbstverwaltung”) has competence on local affairs, but this power does not include autonomy and local government corporations cannot issue their own bylaws unless authorized by parliamentary law.

## INTERESTING WEBSITES

<a href="http://www.arcadia.gr">www.arcadia.gr</a>	(Prefectural Local Government of Arcadia)
<a href="http://www.edya.gr">www.edya.gr</a>	(Association of Municipal Enterprises)
<a href="http://www.eetaa.gr">www.eetaa.gr</a>	(Municipal Agency for Local Development)
<a href="http://www.enaef.gr">www.enaef.gr</a>	(National Association of Prefectural Self-Governments)
<a href="http://www.estia.arch.auth.gr">www.estia.arch.auth.gr</a>	(A research Institute of the Aristotle University of Thessaloniki)
<a href="http://www.esye.gr">www.esye.gr</a>	(National Service for Statistics)
<a href="http://www.kedke.gr">www.kedke.gr</a>	(National Association of Municipalities and Communes)
<a href="http://www.kifissia.gr">www.kifissia.gr</a>	(Municipality of Kifissia)
<a href="http://www.maroussi2004.gr">www.maroussi2004.gr</a>	(Municipality of Maroussi)
<a href="http://www.parliament.gr">www.parliament.gr</a>	
<a href="http://www.peta.gr">www.peta.gr</a>	(a “mixed” municipal enterprise with research activities)
<a href="http://www.primeminister.gr">www.primeminister.gr</a>	
<a href="http://www.uehr.gr">www.uehr.gr</a>	(A Research Institute of the University of Panteion, Athens)
<a href="http://www.ypes.gr">www.ypes.gr</a>	(Ministry of Interior)

Abstract (for the backside of the publication)

The Hellenic Republic is a unitary state characterized by a strong centralist tradition. However, Greek local government has gone through rigid amalgamations that gave it a viable territorial basis, while the local government's share of power keeps growing since the early eighties. The ideology of "democratisation" through decentralisation, the growing demands of the citizens and major socio-economic changes, are moving Greek local government towards convergence with the European (and the international) context.