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Urban/ Regional Co-Operation in Greece: Athens, a Capital City under the Shadow of the State

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**URBAN/ REGIONAL CO-OPERATION IN GREECE: ATHENS, A CAPITAL
CITY UNDER THE SHADOW OF THE STATE**

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Abstract

The main purpose of this paper is to demonstrate the difficulty of urban/ regional co-operation in Greece focusing on the overshadowing of its capital Athens by the state. The focus of this paper is not on the documentation but rather on a synthesis of strengths and weaknesses, opportunities and threats for the metropolitan area in a national context. The first part of the paper presents the basic characteristics and trends in terms of the population, economy, culture, spatial structure, environment, transport and international role of the Athens Metropolitan Area. The second part involves an introduction to the basic planning context. The third part discusses the basic institutional context, i.e. the administrative and organizational arrangements. The frame and the conditions of urban/ regional co-operation are analysed, a typical example being the problematic relationship between the private and the public sector: the public sector is unable to press the state and vice versa. The last part analyses the main prospects for urban/ regional co-operation referring to the indications for innovative elements and to the prospects of various new fields for Greece such as place marketing and leisure planning (tourism, culture, sports). The main outcome of the process of urban/ regional co-operation is the responsibility of many organisations and actors for the same issue, thus acting as a living proof of the proverb ‘too many cooks spoil the broth’.

Introduction

The *peculiarity* of urban/regional cooperation in the case of Athens is that it refers to its relation to the development of the entire national territory and not only to its immediate region (Attica), which is anyway smaller than the Functional Urban Region (FUR). In most conventional programming and planning literature the Athens Metropolitan Area (AMA) is, more or less, identified with Attica.

Athens dominates Greece in many respects (relative population size, concentration of industry, research and development, etc.). Although at a national level it has an overpowering presence, Athens cannot fulfil a wider role in its region (also as an internationally competitive city) because of several inhibiting factors such as geographic isolation, non-contiguity of territory, lack of effective relations with neighbouring countries etc.

Co-operation is stifled by weaknesses of its lower level partners (the local authorities) and the lack of a coordinating framework at a metropolitan level. In the few cases where such structures exist (such as water management, bus transport, Olympic Games 2004, etc.), these are ad hoc administrative arrangements mostly focusing on central administration line agencies with low political leverage or acceptance. Even in the case of planning functions, there is fragmentation and overlapping mechanisms drawing legitimacy from various, and different, types of sources (the Planning Region, The Master Plan for Athens, etc.).

The picture is equally dismal when it comes to *economic development* where there is a total absence of an enabling framework. In theory the Regional Operational Programme – ROP, i.e. Community Support Framework (CSF) at regional level – could perform such a challenging task, but because of its focus at a medium term programming horizon there is no strategic orientation in practice. Furthermore it lacks the means to link physical strategic planning with socio-economic development programming. In addition, there is absence of key actors, such as from the private sector or the civic society, as it is mostly dealt with at a technocratic administrative level from Central Government.

Urban/regional cooperation could be also sought in terms of a potential role in a *network of cities*. However, in Greece the urban system is characterized by primacy and a lack of medium-size cities. In official plans occasionally some cities are thought of as collaborating but realities are quite far from that. One such example from the past is

Volos-Larissa in the region of Thessaly; however, the combined population size, 250,000 inhabitants, is insufficient for the function as a bi-polar city (Economou 2001b: 448). In the case of Athens, its overpowering presence does not leave a lot of margins for networking as such. However, one could seek elements or fragments of such relations in some aspects such the management of water that extends the “ecological footprint” of the city to a much wider area (Kallis and Coccosis, 2003).

A major current dilemma concerning Athens is: whether the big projects, improvements and interventions (mainly because of the 2004 Olympics) would make the city more attractive to new enterprises or residents, assuming a broader international role and whether this would strengthen further its primacy over the national urban system reversing any past tendencies for decentralisation. In this context, it is interesting to examine the structuring of decision-making concerning such choices and the extent to which urban/ regional relationships have been taken into consideration.

1. The existing situation

1.1. Patterns of cooperation

In relation to the *international role of the AMA*, in the European system of urban centres Athens is not highly placed in any sector, mainly due to the following factors: a) accessibility and communication problems, b) numerous urban and environmental problems, and c) characteristics related to its size. Athens, with approximately 4,1 million inhabitants, is, according to the international criteria, a medium scale metropolis (Economou 2001b: 444-454).

The *peculiarity of the AMA* compared to other European capitals, concerns the following aspects of dominance: a) concentration of the 40% of the population of the country (nearly 11 million inhabitants), which creates spatial planning problems but not necessarily urban and regional problems – the inter-regional inequalities in Greece are the lowest among the 15 European Union (EU) member-countries both in relative and absolute terms (Economou 2000b: 452), b) concentration of the most dynamic enterprises, c) concentration of research and development (R+D), d) concentration of cultural activities, etc.

According to the most recent data, in the period 1998-2002 60% of new enterprises were located in Attica (Arlapanou 2003: 4). As far as *cultural activities* are

concerned, there exist regional inequalities, but not always the most obvious ones, e.g. the dominance of Athens refers mainly to its 'cultural radiance' and not to its spatial concentration if the population, i.e. the location quotient, is taken into account (Deffner 1994). Another interesting observation is that the centre of Athens concentrates certain, and not all, types of cultural activities, e.g. theatres, galleries, libraries and museums/collections (Deffner 1992).

The basic *characteristics of the national economy* are: a) tertiarisation, mainly focusing on the service sector, i.e. a sector that cannot have economies of scale, b) the absence of powerful strongholds in dynamic sectors such as R+D, c) the hybrid state of education, d) the crucial role of the wider public sector, etc. Thus, the conditions, both general (level of national policy) and institutional (strengthening mechanisms), for a big city to play an essential role in the national economy do not exist.

The *wider public sector* refers to the DEKO (Public Utility Enterprises) such as Olympic Airways, DEI (National Electrical Company), and OTE (Organisation of Telecommunications of Greece). Their crucial role still persists even if in these last years a certain 'release' of some markets is observed. A typical example is the telecommunication sector: the 15 small private companies in the three years of their operation (2000-2003) have reached 1,885,000 subscribers and occupy 40% of the international calls market, 30% of long-distance calls, and 14% of local calls (Delezos 2003: 66). However, in terms of urban/regional cooperation, the point is that private companies also have their headquarters in Athens. A strengthening factor is that many large private companies that are based in Northern Greece are forced to create a branch in Athens.

There are other *sectors* that are emerging and could boost the urban economy. In the case of transport (and especially its part belonging to the public sector), the new airport in East Attica ('Eleftherios Venizelos' in Spata) would not be viable financially without Athens. The new port and improvements in rail transport open up new opportunities for logistics, mainly in relation to the Balkans and southeast Europe (Piraeus is already a major port of Europe) In the case of tourism there is no dominance of Athens, something that cannot be attributed to an existing policy, since urban tourism is underdeveloped in Greece but Athens is the major gate of international tourism. Island tourism is more developed, although there is a need for a radical shift in the goals and priorities of island societies that take a strategic perspective on tourism (Coccosis 2003). On the other hand, the absence of policy at the level of national strategy in new

technologies is reflected in the over-concentration of enterprises in Attica (e.g. Intracom, Altec).

1.2. Innovative elements

There exist certain activities of the private sector, e.g. dairy products, in which *economies of scale and agglomeration* are observed in Athens that function as poles of multiplicative repercussions (as receipt of enterprises). This occurs, despite the fact that in the rest of the country (due to the existence of many local companies of good quality) the two larger Athens based companies (Delta, Fage) are not in the higher consumption places, and for this reason they have constructed farms and/or factories in Northern Greece. In the first two months of 2003 the total of small companies occupies 16,5% of the market, while in 2002 it occupied 11,6%.

An ongoing project is the *unification of the archaeological areas* in the centre of Athens (Athens Archaeological Park), which was classified as a topic of town planning and urban conservation, using a general plan and traffic restraint as means and mechanism for implementation, and evaluated with the grade of innovation 'best practice' by the European Foundation for the Improvement of Living and Working Conditions (Hall and Landry 1997: 86).

There exist also other interesting case studies such as *development associations*. A typical example is ASDA – Association for the Development of West Athens, one of the most deprived areas in AMA – which represents nine municipalities that have launched, as part of Phase II of the Urban Pilot projects of the EC, the SWANS project (Sustainable West Athens Novelty Scheme). The aim is 'to improve environmental and living conditions, as well as create a more efficient business environment'. SWANS is also related to risk management, since 'it envisages the development of an "Emergency Management Plan" that assists local actors to cope with any natural emergencies' (European Commission 1998: 52-53).

2. Planning

2.1. Policy directions

A necessity for the extension of urban/regional cooperation in other levels leads to the case of *water resources*, in which the comparison is between AMA (i.e. focusing on EYDAP, Water Supply and Sewage Company of Athens) and other regions and not the rest of the country. This is mainly due to the lack of a national policy for issues referring to water. However, such a policy does not also exist in other countries: now it is in the process formulation in the context of the water directive of the European Commission. The particularity of Athens is the following: on the one hand, there exists an ecological footprint that reaches Evinos River and is supposed to last for 15 years, while, on the other hand, the privatisation of EYDAP leads to the search of new customers (e.g. the islands) to bring in new revenues. Thus, in five years a new dam will probably need to be considered expanding the city's "ecological footprint" even further (Kallis and Coccosis 2003).

In the case of R+D, the relation of the economy of Athens compared to the total R+D of the rest of the country leads to the following observation: on the one hand, there is the strangulation of the capital that is competitive and, on the other hand, there is an excessive concentration of the tertiary sector. In the case of education, in spite of the creation of regional universities – the most recently expressed policy is the existence of at least one university or Technological Educational Institute (a sort of polytechnic) per region – there is an increase of students in Athens. This is also due to the fact that three institutions – Panteios Higher School of Political Sciences, Harokopeios Higher School and Higher School of Economic and Commercial Sciences, all in Athens – became Universities – Panteio, Harokopeio, and Economic University of Athens – and absorb more students taking more new entrants than before.

Even if it seems strange, the agricultural sector of the AMA is given 'subsidies' around 25% (Economou 2000a). In the case of transport, there is an emphasis in the harbour of Piraeus, the seaport of Athens. In the case of industry, the 2601/1984 Law, which prohibited the location of industries in the region of Attica, had strangled the more dynamic piece of industry and it had minimal repercussions in the decentralisation of industry.

The *diffusion of the benefits of the Olympic projects* in various cities (Athens, Thessaloniki, Patras, Irakleion, Volos) is a political choice for the purpose of the channelling of money and various projects not directly relating to sport, i.e. urban renewals, ring roads. Although 70% of these projects have been programmed through the CSF and the ROP, they were baptized as Olympic – the basic difference is that they were pushed earlier in the timetable. According to Petrakos *et al.*, there is widespread consensus on the further polarization that is being expected as a result of preparing Attica for the games, and this has led to policy initiatives and actions aiming to countervail spatial unevenness in propelling development (2002). On the other hand, there is a need for major infrastructure improvements – totally absent for the last 20 years – in the major agglomeration of the country of the size of nearly 4 million.

2.2. Innovative elements

Piraeus is a good example that strengthens the central role of the AMA. The Organisation of the Port of Piraeus is carrying out the new master plan of the port aiming to raise it from the sixth place in the Mediterranean to the second or third. This is planned to be achieved in the framework of wide-privatisation through the concentration of high-profit container traffic and reducing bulk cargo to near by secondary ports (e.g. Elefsina), while sharing passenger traffic (which is not very profitable) to other near by ports (e.g. Lavrio).

A timely issue is the staging of mega-events, the most typical case being the *Athens 2004 Olympics*. Olympic Games related interventions spread throughout the urban fabric special purpose facilities but also diffuse, at least in theory, some of the anticipated benefits to other areas (the Olympic cities). The following questions have to be elaborated, especially referring to the period after the Games: a) what are the terms for such urban-urban relationships? b) What are the long-term benefits in the local economy? and c) are there multiplier effects involved?

A typical case are the *training centres* that constitute a redistribution (their budget is 240 million Euros), their repercussions relate to revenue (because of construction), and to attraction, since direct marketing (30 million Euros) could attract foreign teams to train there. Also, training centres in connection with the sports grounds can attract special sport events. Volos is a good case in question, since it could construct its identity as a sport city (Deffner 2003; Deffner and Koutsiana 2003).

A project which is planned after the Olympics in Athens is the conversion of the area of the former airport in Elliniko, a southern seaside suburb not far from the centre, to a metropolitan park including a large (i.e. 10,000 people) congress centre – the latter is a type of facility which (along with an opera house and a museum of contemporary art) features in the significant lack of cultural resources in Athens.

Other cases of mega-events are the European City of Culture in Patras in 2006, which will hopefully avoid the mistakes observed in Thessaloniki in 1997 (Labrianidis and Deffner 2000; Kalogirou 2003), and the bidding for the EXPO 2008 by Thessaloniki.

3. Setting/context

3.1. Frame of cooperation

A problem concerning governance is that Greece continues to rely on formal mechanisms of administration (state). The actual role of the private sector and civic society (professional associations and other partners) has to be, more or less, invented. As far as the third, or informal, sector is concerned, the non-governmental organizations are underrepresented in Greece, and in most cases they constitute a one man/ woman show, thus representing a case of individual commitment.

3.2. Conditions of cooperation

A typical example in the conditions of urban/ regional co-operation is the *problematic relationship between the private and the public sector*: the public sector is unable to press the state and vice versa. A characteristic example is the demand of permissions for new hotels in the saturated Athens Metropolitan Area because of the Olympics: it was initially denied but later allowed in special cases, e.g. Maroussi, the municipality where the Olympic Stadium is located, and a Church property in the city centre. State institutions have a dual role: on the one hand, they try to play a neutral role, but, on the other hand, the structural engagements strengthen their gravitation.

The relationship of Greece with *decentralization* has always been dubious. In 1997 the region became a deconcentrated administrative entity with its own organization, its own budget, and its own staff. Since 1 January 1995, the *nomos*

(prefecture, the administrative division) has functioned as the second tier of local government. It must be noted that Greece is the only country with a system of elected prefects. The fractionalization of local government has changed in 1997 where a strong first-tier local government was created by merging the 457 *demoi* (municipalities) and 5,318 *koinotites* (communities) into 133 and 900 respectively (Loughlin 2001: 276-280)

There is still a lack of Metropolitan Administration that does not intervene substantially in planning. Also there is no experience of networking (as in Third Italy), or specialisation of urban centres through collaboration, something that could bring forth regional economies.

4. Prospects

The *crucial dilemma* is the following: should Athens, as well as Thessaloniki, turn more towards Western Europe, in the sense of the areas and axes of development of the EU, or outside the EU. The prospects of Thessaloniki lean primarily towards the Balkans and secondarily Eastern Europe, while those of Athens do not lean towards these directions (Economou 2000b: 464-466). The most probable scenario for the prospects of the international role of Athens includes the following elements: continuation of globalization, promotion of the Economic and Monetary Union as well as enlargement of the EU, taking advantage of the Olympic Games (international promotion of Athens, improvement of sport infrastructure, acceleration of the improvement of transport infrastructure), marginal improvement of the modernization of Greek administration, very important improvement of supralocal infrastructure (Economou 2001: 124-126).

As far as *innovative elements* are concerned, also in relation to limiting the dominance of Athens and the increasing role of the private sector, there are good prospects for various new fields for Greece such as place marketing – e.g. in the case of museums (Deffner and Metaxas 2003) – and leisure planning (tourism, culture, sport). Greece, in the context of the EU, especially after the funding from the CSFs stops, is forced to focus on the tertiary sector. At the international and/or national level, this mainly means the development of tourism, and particularly special types of tourism such as business, cultural and urban. The most promising combination of these types is that between museums and conferences. At the local level, this is particularly valid for many areas that tend to develop a monoculture of tourism. At the urban level, this could mean the development of cultural industries (Deffner 2000) and entertainment, e.g.

some sort of planning for restaurants (Deffner and Maloutas 2002) or the introduction of theme parks (Deffner 2002). Cultural tourism is connected to sustainability, since, according to Tsartas, cultural tourism contributes to a balanced development of local society, economy, culture, and natural and built environment (2003). Athens must take advantage of the Olympics and develop its tourism. Other cities, and especially the Olympic ones, must focus on special types of tourism, e.g. Volos in sport tourism (Deffner and Koutsiana, 2003).

5. Conclusions

The crucial issue in relation to the analysis of strengths and weaknesses, opportunities and threats of the AMA is the contradiction between the benefits to the city and the benefits to rest of the country, a typical example being the Olympic projects. In terms of innovative elements, the efforts towards modernizing decision-making and establishing governance in Athens have indirect influences in the rest of the country.

The role of Athens contradicts with the overshadowing presence of a major actor: the central administration (state). The centralized top-down administrative system accounts also for many of the difficulties (or rather lack) of urban/ regional co-operation in Greece. The main outcome of the process of urban/ regional co-operation is the responsibility of many organisations and actors for the same issue, thus acting as a living proof of the proverb 'too many cooks spoil the broth'.

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