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The Evolution of Regional Policy Objectives in Greece – Twenty Years of Regional Development Programmes

By ILIAS PLASKOVITIS

Introduction

Twenty years ago, in 1986, a very significant change took place in the nature of regional policy in Greece. Up until then regional planning had an indicative character, which served, at best, as a framework to orientate public interventions in infrastructure and investment incentives, and at worst, as wishful thinking for pre-electoral announcements by local politicians. KEPE, a public institute of economic research, designed and published such indicative plans every five years, the first one since 1960. None of them, however, had the form of an operational programme, i.e. a programme which includes an integrated chain of priorities, operational objectives, measures, a specific time schedule, secured financial means, a distinctive programme management system, consultation and evaluation procedures. Their main disadvantage was that they were never explicitly endorsed by central or local authorities as an obligatory framework for growth related interventions, nor did they carry secured budgetary resources which would translate the expressed goals into concrete interventions.

But in 1986 the scene changed dramatically by the introduction of the Integrated Mediterranean Programmes (IMPs). Doubtless, these were true operational programmes and brought to Greece a very different planning reality. For the first time, planners at central and local level were faced with the task to translate vague goals into specific operational objectives, to design measures down to the project level that could lead to the achievement of such objectives, while the timely implementation of these measures were a prerequisite for absorbing substantial financial resources secured from the Community and national budgets.

The Integrated Mediterranean Programmes acted as pilot cases for what followed: a continuous stream of obligatory planning frameworks and operational programmes, which stemmed from the post-1988 revision of Community structural policy. The first Community Support Framework (CSF) covered the period 1989-1993, the second Community Support Framework the period 1994-1999 and the third the period 2000-2006. Altogether these planning frameworks gave birth to 39 regional operational programmes (there exist 13 planning regions in Greece and each one were covered by a separate programme for each of the above three periods). Adding the six Integrated Mediterranean Programmes with a regional dimension, the total number of programmes reviewed in the present article rises to 45.

One may of course rightly observe that the Community Support Frameworks in the case of Greece also included several sectoral programmes (indeed sectoral programmes were allocated the majority of financial resources engaged) and some of them such as the programmes for tourism, the environment, transport infrastructure etc., clearly have major regional repercussions. One may also recall that during the same period a number of Community Initiatives (Leader, Interreg, Urban, etc.) were implemented as well. All this remain outside our analysis not only for reasons of brevity, but mainly because our target is the evolution of regional policy objectives of Greek planners, while the latter category of programmes express sectoral or Community priorities with the regional impact coming as a side effect. In any case the

forty-five programmes examined offer ample evidence for drawing conclusions on issues such as:

- The evolution of regional development priorities, operational objectives and modes of intervention.
- The change in the relative weight of sectors, regions and policy instruments.
- The consistency between initial planning and programme implementation.
- The relationship between regional programme objectives and national or community structural policy priorities.

Analyzing regional problems and strengths - Setting the priorities.

The expression of a specific hierarchy of priorities and objectives, linked to an analysis of regional strengths and weaknesses, is itself a subject of change over consecutive planning periods. It is worth examining how it evolves over the period we examine:

The IMPs (1986-92) do not set out from a complete SWOT analysis, nor do they set an overall priority for the regions covered. Instead they accept the general aim of the programmes as stated in Regulation 2088/85, i.e. to strengthen the economies of the Mediterranean regions in view of the increased competition stemming from the accession of Spain and Portugal. They begin with a very short and abstract presentation of the geographic, demographic and economic characteristics of the programme area. Statistical data on the socioeconomic conditions prevailing at the start of the programmes is non-existent and there is no attempt for an ex-ante measurement of the overall impact of the programme on basic economic or social statistics.¹ Immediately after the above introductory presentation IMPs go on to state the so called “development axes” which coincide with sub-programmes containing a group of measures targeting a specific sector or area. The analysis of the preexisting conditions with respect to the reference sector or area of each development axis is somewhat more substantive but again the programmes avoid any quantification or expressing an overriding priority at the level of the development axis.

The Greek IMPs fall into two categories with respect to the development axes chosen. Mainland programmes covering Northern Greece, East and Central Greece and Western Greece and Peloponnesus, i.e. about 90% of the country, have a very similar structure: One development axis refers to agriculture of plane areas, another to the mountainous and disadvantaged areas, a third axis to general infrastructure, a fourth axis to industry, while tourism, fisheries or animal husbandry represent different axes depending on the programme. The IMPs for Attica (the Athens metropolitan region), the Islands of the Aegean and the Island of Crete have more specific and variable profiles. In the case of Attica a development axis for the tertiary sector has been included while agriculture of plane areas is understandably absent. In the case of Crete an explicit sub-programme to promote research activities is included while the IMP for the Aegean Islands is focusing on tourism and infrastructure to reduce the isolation of the islands.

¹ For a more analytical evaluation of IMP structure see I. Plaskovitis (1993).

The 1st CSF Regional Programmes (1989-93) start with quite an extensive socioeconomic analysis. Although still not a rigorous SWOT analysis, the text is a substantial improvement compared to the IMPs. The analysis mainly covers the geographic and demographic characteristics of each region, it offers some information on the regional labour market and GDP and continues with a description of the prevailing conditions in each sector of production. The focus is mostly on agriculture, mining, industry and tourism. Other branches of tertiary activity are sparsely mentioned, mainly transport and health services. With respect to infrastructure, other than the rather dramatic language used to outline deficiencies, there is no hard data, indicators etc to support observations. Finally, all programmes make a reference to other national or community policies implemented in the region, but the analysis is so brief that does not offer any insight on synergies or possible conflicts with the programme.²

From our review of the relevant texts it is clear that we are presented with a very inward looking analysis since there is no reference to external change in relation to new opportunities or threats. Quantitative data only covers some standard macro variables (Population, GDP, Employment) and is generally inappropriate to for setting base-line values to measure progress due to the programme. With the marked exception of the Attica programme, there is very little analysis of environmental conditions nor of the new economy sectors such as research and technology, business services, informatics etc. The conclusion drawn from the socio-economic analysis of the 1st CSF programmes are highly similar between the different regions, especially with respect to the weaknesses of the primary sector, industrial sme's, transport and social infrastructure. Tourism on the other hand is split between areas suffering over-concentration calling for redistribution and diversification policies and backward areas calling for more tourist investment. Finally there is little analysis and even less data on intra-regional inequalities at the level of infrastructure and economic activity.

Nonetheless, all 1st CSF programmes clearly state the top priorities to be served by programme interventions. In most cases these are three to four priorities that reasonably emerge from the preceding socioeconomic analysis. Internal consistency at this level is high, while at a first glance there seems to be substantial differentiation of priorities between programmes. One may of course wonder how is it possible to claim that the results of the socioeconomic analysis are quite similar among regions but programme priorities are quite different. The answer is to be found further down in our work when we discuss operational objectives and modes of intervention. It will then be clear that the difference is an apparent one, stemming from creative language that pronounces in different ways the same basic needs and policies.

As a top priority “the improvement of general infrastructure” is met in almost all the programmes, as is the case with “support for agriculture and rural development”. On the other hand only 4 programmes explicitly include industry as a separate top priority, while tourism is mentioned in five programmes. Improvement of human resources is also met in the minority of programmes, as is the case with technological development (4 programmes). All the peripheral regions (the islands, Thrace and Crete) include the ending of geographic isolation amongst their top priorities emphasizing the importance of improving transport and communications

² On the issue of harmonization of regional programmes with other Community policies see O. Papadaki (2004) p.250.

infrastructure. Finally about half of the programmes include some sort of a spatial priority either with respect to mountainous areas, or to areas of urban degradation (in Attica) or areas with high tourist concentrations (Crete).

Comparing this with the “development axes” of the IMPs we may observe:

- a) The demand for general infrastructure as a top priority for Greek regions remained unchanged in the 1st CSF programmes.
- b) The same holds for agriculture and the primary sector in general.
- c) Mountainous and disadvantaged areas still figure high among regional programme priorities although several programmes no longer devote a separate priority to them.
- d) Industry and tourism seem to lose ground as top priorities under the 1st CSF.
- e) Improvement of human resources is now a more prominent concern.
- f) Attica and Crete retain their somewhat “offline” profiles by mentioning research and technology amongst their top priorities.
- g) With the exception of Attica and to a lesser extent Sterea Hellas and W. Macedonia, environmental concerns are still a rarity in the list of priorities.

We may now turn for a similar evaluation of the next generation programmes, i.e. those under the 2nd CSF, covering the period 1994-1999.

With respect to the socioeconomic analysis the 2nd CSF programmes return to the IMP practice! A couple of pages and a few short tables are all that we can find analyzing the prevailing conditions in the regions concerned. They present some basic statistics on demographic, GDP and employment trends, a few prosperity indicators (e.g. per capita electricity consumption) and a short analysis of the characteristics of the primary, secondary and tertiary sector in the region. In that analysis the programmes underline what is perceived as the main problems facing the respective sector thus laying the background for the priorities proposed in the following chapters. One explanation about the brevity of this part of the programmes is that in all the cases external ex-ante evaluations were commissioned, the latter including an extensive SWOT analysis for each region. But this cannot explain for example the highly abstract analysis of the level of regional infrastructure, or an even more general reference to the skill levels of the labour force. The analysis of infrastructure levels and labour force skills is almost exclusively qualitative since there is no quantitative data to support the value judgments made.³ It is clear, from the vagueness of the language used, that regional planners did not have in their disposal relevant data. As a result, in the case of infrastructure no overall priorities emerge and the relevant proposals jump to specific projects mainly in education, health and social care. In the case of human capital it is even clearer that there is no underlying study of market needs and opportunities and relevant proposals simply refer to the need for expansion and improvement of the system for initial and continuing training.

The 2nd CSF regional programmes continue with a chapter on growth strategy, which usually begins with stating the top priorities of the programme and continue with a more detailed presentation of the axes of intervention serving these priorities.

Compared to the priorities we met in the 1st CSF programmes there are a number of differences and similarities. Starting with the latter:

³ For a thorough discussion of available development indicators see Labrianides (2001), p.232

- a) Almost all the programmes (except Attica) again set the support to the primary sector and rural development amongst their top priorities. The wording has nonetheless changed laying greater emphasis on restructuring and diversification.
- b) Reduction of intra-regional inequalities is again a top priority for half Greek regions. The list of such regions under the 2nd CSF, however, is quite different from the previous period.
- c) Efforts to reduce geographic isolation and generally improve inter-regional transport networks also remain a priority for 8 regions. A greater emphasis on large projects is discernible.
- d) General infrastructure to improve the quality of life is again one of the top priorities in all Greek regions without exceptions.

Differences:

- a) The first significant change is a clearly more extrovert approach in the setting of regional priorities. Several regions express their intentions to improve their linkages with neighboring regions. Epirus for example emphasizes the opportunity of building economic cooperation with Albania, Central Macedonia announces its intention to promote Thessalonica as a “metropolitan center of the Balkans” and W. Greece wishes to utilize its position as a western gate to Europe.
- b) Not 4 but 11 out of 13 regions include industry among their priorities under the 2nd CSF. Support to improve the external competitiveness of SMEs and the placement of their products in the international market is the main orientation, enhancing our argument about an outward looking approach. A relatively greater emphasis is placed with the promotion of research and technological development but they still rarely feature as an independent top priority.
- c) Environmental concerns are much more frequently met amongst the top priorities than was the case under the 1st CSF. They are often linked with policies to promote tourism exhibiting a new understanding of the interdependency between the two.
- d) Tourism itself features as a top priority in twice the number of regions compared to the 1st CSF. However, the phrasing is more towards improving its quality and shifting to alternative forms rather than promoting further expansion.
- e) Finally, the improvement of human resources, almost automatically appear as separate priority in all programmes. However, it reads more as an obligation to EU rules imposed by the European Social Fund rather than as a genuine choice of local planners. The previously mentioned lack of a real analysis of the regional labour market indicates that this is more than a guess.

The last generation of regional programmes are those included in the 3rd CSF covering the period 2000-2006.

An analytical presentation of prevailing socioeconomic conditions returns as the starting point for each programme. It is now a rather coordinated exercise since all programmes cover the same issues, although there are differences in the depth of analysis. Moreover, we find a significant improvement in the use of quantitative data, which for the first time is able to support some baseline indicators. Given the very brief corresponding texts of the 2nd CSF it is not very meaningful to make

comparisons. We may, nonetheless, identify a number of differences compared to the previous programmes:

Firstly, in all the programmes we find an extensive chapter analyzing intra regional inequalities mainly focusing on mountainous areas, small islands and urban centers. The latter, especially the issues relating to the degradation of the urban environment, are given much more attention. Secondly, with respect to the environment, there is a specific analysis of the degree to which each region respects the standards set by E.U. environmental directives, with particular emphasis to the treatment of solid and liquid waste. Thirdly, each of the three sectors is given a separate and quite extensive analysis and in all cases the issue of technological levels, entrepreneurship and innovation is examined. Fourthly, the socioeconomic analysis takes into account not only problems and weaknesses but also opportunities and comparative advantages. In some cases (e.g. Crete), a full scale SWOT analysis is included, thus allowing a more ambitious strategy rather than the defensive and backward looking approaches met in some previous programmes. Finally all the programmes include a summary of the progress achieved under the 2nd CSF programmes. This is another novelty, since in the past the performance and impact of previous programmes was almost completely ignored.

Based on the above analysis each regional programme proceeds with stating one, single overall goal for the region, to be served by a list of more specific strategic objectives, which in turn are formulated into priority axes, each one being in effect a separate sub-programme. In parallel the programmes also include another set of sectoral objectives for the primary, secondary and tertiary sector. As a result we are faced with a rather complex hierarchy of objectives and strategies with a not always obvious internal consistency and widespread overlapping. Most regional programmes under the 3rd CSF express this overall goal in terms of the region's geographic position and its potential international role as a "transport hub", a "Balkan metropolitan centre", a "gate to the West", a "bridge to the South" and so on. However, from the preceding socio-economic analysis, the performance of similar goals under the 2nd CSF and the lower level objectives that follow it is not unfair to say that this is more wishful thinking on the part of the planners than a concrete plan to explore real comparative advantages. One may further question the utility of including a list of so called strategic objectives that add up to an all - encompassing statement hardly exempting any field of structural policy. The problem aggravated by the lack of a prioritization of these objectives, which, if it existed, would allow for a greater concentration of resources and modes of intervention.

Moving on to a comparison of these strategic objectives with the priority axes of the 2nd CSF programmes we obtain a picture of continuity and enhancement rather than departure and change.⁴ Any difference is certainly much more muted than was the case between the 1st and 2nd CSF programmes. To be even more explicit it looks as if the 3rd CSF attempts to do what the 2nd CSF started but did not have the time, the resources or the political will to complete. Thus on this line of continuity we find that:

- a) The ever - present objective of restructuring agriculture to improve the quality and marketability of products is still with us in almost all programmes but with a clear lowering of emphasis: it is now rarely an independent priority (sub-programme) but instead it is part of a more general objective for rural development. Moreover, the issue of sustainability is a prominent concern,

⁴ The same view is expressed in Petrakos, Psycharis (2004), p.457.

while there is at least equal attention to the diversification of rural incomes beyond the primary sector.

- b) The international competitiveness of SMEs is again a prime objective, but the emphasis on promoting innovation and applied research is now a central issue. In combination with the sustainability concerns there is a renewed interest in relocating firms in organized industrial parks as well as promoting environmentally friendly technologies.
- c) Almost without change compared to the 1st and 2nd CSFs, there continues a high priority on raising basic infrastructure especially with respect to health, social care and sewage networks.
- d) An insatiable demand for transport infrastructure continues to characterize Greek regional programmes. The major projects of an interregional character are indeed the main if not the only action to promote the international role of the region pronounced in the above mentioned overall goal.
- e) Tourism is again a crucial sector of regional development policy. As was the case with the 2nd CSF, the emphasis is on improving the quality of tourist services and their diversification towards special types of thematic tourism. We do identify, though, a stronger linkage with the promotion of the cultural heritage as a major vehicle to achieve such objectives.
- f) Initial and continuing training of the labour force remain the central objective in the human resources front, this time complemented with a more active and personal approach towards offering orientation and advisory services to the unemployed.
- g) Finally, intra-regional inequalities remain among the prime concerns since the preceding socioeconomic analyses show widening imbalances and further demographic weakening, thus raising serious concerns about the effectiveness of earlier interventions. Nonetheless, with the exception of some general references on concentrating resources to develop mountainous centers of economic activity and social infrastructure, there do not seem to exist many new ideas to tackle the issue.

Notwithstanding the central observation of a prevailing continuity of policy objectives in relation to the 2nd CSF, we may identify some fields where there are novel approaches and an enriched mix of objectives:

- As we already hinted in the above, there is a marked upgrading of the issues of innovation and applied research in all sectors of economic activity as a sine qua non condition for international competitiveness and viability. Telematics and actions belonging to the emerging “information society” are also much more frequently met in the last generation of programmes.
- The sector of culture (ancient sites, museums, architectural monuments etc.) which in the past were all but excluded from Structural Fund spending priorities are now returning as a central comparative advantage to attract an upgraded type of tourism.
- The policy towards disadvantaged areas is more often incorporating integrated actions (mini programmes within the programme). The above-mentioned promotion of mountainous centers and the integrated

urban restructuring interventions consist a fresh approach compared to previous programmes.

- Human resources policies now include consultation and professional orientation to individuals suffering from long term unemployment or belonging to sensitive social groups, immigrants, ex-drug addicts etc. This is the regional dimension of a new generation of national employment action plans.
- Environmental concerns acquire a more horizontal, across-the-board character by the introduction of sustainability criteria in all types of public support to private economic activity.

Operational objectives - modes of intervention

The above discussed priorities form or generate the headings of the sub-programmes into which regional programmes are divided. Within each sub-programme there are a number of measures which in effect are the lower level operational objectives through which planners seek to satisfy programme priorities. In turn, each measure may include one or dozens of individual projects through which the measure is implemented and utilizes the financial resources attributed to it. In other words by reviewing the group of measures contained in each sub-programme one obtains a picture of the regional strategy for pursuing the specific priority. This is what we did with the 45 programmes we examined.

Based on our analysis, the central thesis of this paper is that the evolution of operational objectives has not followed the change observed at the level of regional priorities. The policy mix in terms of specific measures is not very different whether one looks at the 1986-92 IMPS or the 2000-6 3rd CSF Programmes. The tool-kit of regional policy in Greece throughout all these years contains about ten categories of measures, which in various combinations are employed to serve a rather wide spectrum of policy targets. Furthermore, the public, social, and private agencies that are competent to implement the measures, i.e. select, approve and finance the individual projects of each measure, also remain more or less the same irrespectively of the criticisms repeatedly aired for some of them, both by programme beneficiaries and professional evaluation reports.

Let us then examine in more detail the measures mobilized by each generation of regional programmes in Greece:

When the IMP planners speak of restructuring the agriculture of plain areas they basically mean a set of measures that consist of:

- Paying farmers to replace old types of cultivations with new ones, or replace less productive livestock with new races.
- Extending irrigation networks especially in areas where the above restructuring takes place.
- Subsidizing cooperatives and other farm organizations to recruit experts that offer advice to farmers or set up training courses for farmers.
- Financing of public research institutes and laboratories that promote agricultural research, offer product quality assurance etc.

When the IMP planners speak of supporting mountainous and disadvantaged rural areas they mean a set of measures that consist of:

- Similar to the above payments to farmers to restructure cultivations and livestock.
- Small scale irrigation networks.
- Opening or improving agricultural roads (access to farms or grazing areas).
- Forest roads, re-forestation and incentives for forest protection and exploitation.
- Subsidies for building hostels, camping sites, improving local museums, restoring old buildings etc so as to promote agro-tourism.
- In the case of islands or seaside communities, the building or improving of fishing ports, subsidies for aquaculture, training of fishermen and the replacement of fishing vessels.
- And a varying set of small local level infrastructure projects such as village roads, extending electrification networks, drinking water networks, building social centers, health centers etc.

Examining the corresponding sub-programmes for the primary sector and rural areas of the 1st CSF programmes there are few new measures:

- compensation of farmers for losses suffered from fires and other natural disasters.
- subsidizing animal farmers for moving their farms away from congested or environmentally sensitive areas and
- financing treatment units for animal farm sewage.

These are the main additions with respect to the primary sector, while the sub-programmes for local authority projects which promote rural and endogenous development include similar to the above IMP interventions, plus:

- investment incentives to handicrafts and small industrial firms to expand and modernize equipment and
- a wider spectrum of environmental infrastructure now including biological treatment stations for sewage and solid waste treatment stations.

The picture does not change when examining the corresponding priority axes of the 2nd and 3rd CSF programmes except for some additional measures:

- to promote standardization and processing of agricultural products and
- to assist with the marketing and commercial promotion of local produce.

Overall, the more recent the programmes the more attention is paid to environmentally friendly actions as well as to the creation of rural incomes that originate from outside the primary sector, mainly tourism.

Is the above policy mix sufficient to promote the ambitious priorities and strategic objectives stated earlier in the programmes? It could be if the resources were sufficient to deal with the magnitude of the deficit in each of the above fields. Or, if the resources were concentrated to those of the above measures that are most crucial in moving towards the desired direction. Unfortunately neither has been the case. Primary sector measures are centrally conceived and designed (Ministry of Agriculture). They are uniformly transplanted into regional programmes, without any

harmonization to real local needs, to the administrative potential of each region and to the degree of endorsement by beneficiaries. As such, they fail to fulfill the most critical local gaps and weaknesses that are responsible for the observed economic backwardness in the primary sector.

On the other hand the measures seeking to deal with disadvantaged, mountainous etc zones and correct intra regional inequalities suffer from the opposite ailment: they are too disaggregated, too variable and too small dealing with only a fraction of the problem they address. They may be responsive to the demands of local communities and in that respect are politically fruitful but they are simply not sufficient to exercise a significant impact so as to end the ongoing socioeconomic and demographic weakening of the areas concerned.

Industry is a relatively marginal sector for most Greek regions. IMPs and regional programmes of the three CSFs alike include measures that we could group in four categories: a) Investment subsidies included in a nation-wide incentives law, b) Subsidies for the development and provision of business services and advanced financial instruments to SMEs, c) Industrial infrastructure, mainly industrial parks equipped with common services and networks, d) Subsidies to SMEs for “soft” actions such as business plans, marketing, e-commerce, networking etc. Over the twenty years we review, we observe the following trends:

- There is a gradual increase in the weight of linking subsidies for hard productive investment with soft actions described under (d) above. This is particularly visible since the 2nd CSF programmes, when new national legislation was passed in that direction.
- In the IMPs and to a certain extent in 1st CSF programmes the provision of services and infrastructure for SMEs was entrusted to public or local authority agencies. In later programmes this is more a private sector activity either by individual firms or by local firms’ associations.
- The provision by public agencies of industrial infrastructure in the form of extensive industrial zones gives way to smaller industrial parks organized and managed by private agencies.
- In the more recent period, mainly in the 3rd CSF, services to SMEs emphasize access to information technology, e-commerce etc.

As we saw in the previous, research and technology in the earlier programmes was mostly ignored with the exception of the regions of Attica and Crete. Under the 2nd and 3rd CSF, certain measures to support applied research are met practically in all regional programmes, although the relative emphasis remains high only in Attica, Crete and Central Macedonia (Thessalonica). Such measures are addressed to two types of beneficiaries: a) Universities and public research institutes mainly for the development of basic research infrastructure and b) private firms for undertaking applied research programmes and innovative product development. Unexpectedly (and slightly out of context) in several 2nd CSF regional programmes there is also spending on research for mineral resources conducted by a public geological research institute. Nonetheless, in some of the 2nd CSF programmes, there are also quite ambitious objectives of financing local Universities to create technology parks. Increasingly in the 3rd CSF the measures target the promotion of cooperation between

universities and private firms or the networking of firms between them for joint projects in applied research and development.⁵

The sub-programmes on tourism, in the IMPs mainly dealt with small-scale tourist activity in rural areas. They included subsidies to build hostels and agro-tourist facilities, as well as general tourist infrastructure such as marinas, spas, tourist railways etc. Environmental protection measures and cultural monuments, even when not clearly linked with a tourism development plan, were placed under the shelter of tourism to safeguard eligibility for financing. Investment incentives for new hotels are relatively limited to some programmes covering areas of low tourist activity. Finally, some tourist marketing activities are also included.

Along the same line, 1st CSF programmes completely avoid subsidies for investment in new hotels and concentrate resources on general tourist infrastructure such as marinas, ski centers, spas and so on, as well as cultural infrastructure and even roads and urban renewal interventions. Some of the latter are very vaguely connected with the promotion of tourist activity.

2nd CSF programmes make a significant shift in the policy mix for tourism. Significant resources are engaged in an incentives regime to mobilize private investment in the modernization of the existing hotel stock, but also in providing privately built infrastructure to promote thematic tourism: Golf courses, thalassotherapy centers, sports centers, conference centers are preferred over more classic kinds of infrastructure. Even marinas and recreation ports are entrusted to private initiative rather than public supply as in the past.

In the 3rd CSF programmes the same spirit prevails although investment incentives are now less widely employed and a return to publicly provided, more traditional type of tourist infrastructure, can also be seen. The new type of measures introduced in the last generation of programmes, are more of a soft, service oriented nature: Direct access to customers via internet, tourist promotion campaigns, inter-hotel networking, quality assurance procedures and other such actions signal a shift of attention to service quality rather than hard infrastructure.

The treatment of human resources in the Greek regional programmes has seen many changes over the last twenty years. Before the IMPs, regional authorities had never been engaged in this type of intervention and had neither the experience nor the means. The IMPs in each of their sectoral sub-programmes included one measure of labour training. Thus, the sub-programme for agriculture included a measure for training farmers, the sub-programme for tourism a measure for training hotel employees and so on. Regional departments of central agencies were the implementing authorities given the lack of local capacity.

With the 1st CSF programmes the approach is totally different. All training measures are gathered in a separate sub-programme, solely financed by the European Social Fund. Within this sub-programme training projects are divided into sectoral measures, into a measure providing training for local development and into an on-the-job training measure. This structure is identical in all programmes and marks a departure from the integration priority exhibited by the IMPs where training was part of the sector or area oriented sub-programmes. The beneficiaries were mostly young unemployed undergoing initial training or on-the-job training and firm employees

⁵ For a concise presentation of E.U. regional policy priorities in R&D see Papadaskalopoulos (2002), p.103.

following retraining courses. Priority is given to training in new technologies and courses harmonized with the programme objectives. The measure on local development is different: it was directed to the employees or elected members of local authorities and development agencies, with the purpose to provide special skills for local planning and programme management. Implementing authorities are again regional services of central authorities, but also local authorities, development agencies and local firms' associations are included.

2nd CSF programmes mark another departure: the separate sub-programme for human resources is retained but its contents are drastically changed. Actions are no longer divided into sectoral measures but into three categories in relation to their orientation: One measure is devoted to initial training, one measure to continuing training and fighting unemployment and a third measure to the unemployed suffering from social exclusion. The first of the above measures engages most of its resources to the improvement of infrastructure and equipment of secondary education schools, Universities, higher technical schools and other professional training organizations. Such actions were not eligible for ESF financing under the 1st CSF. The second measure includes the classic training actions but with a significant novelty. Central or local authorities are no longer the providers of training. This is now entrusted to a new network of private centers for professional training, which have undergone a quality assurance procedure and are approved by the Ministry of Labour. The measure also includes the training opportunities offered to local authorities employees by the 1st CSF programmes. The third measure, focusing on social exclusion, is met for the first time. The beneficiaries are mainly the disabled, unemployed women, immigrants and other social groups that face exclusive practices. Actions include not only training but also sensitizing public opinion and employers.

In the 3rd CSF Programmes the treatment of human capital is a much more complex and variable picture. Most but not all programmes again gather the relevant measures in a separate sub-programme. However, in some programmes (e.g. North Aegean Islands) it has been preferred to distribute employment - promoting measures in several thematic or sectoral sub-programmes. Moreover even in the programmes that devote a separate sub-programme to human resources, relevant measures may be met in other sub-programmes as well, principally in the integrated interventions for urban renewal and local rural development. All this was the result of an attempt to combine the intrinsic value of integrating labour market interventions into sectoral or spatial policies (the IMP practice), with the simplicity, from a programme management view, of a separate ESF-financed sub-programme. Beyond programme structure the content of the measures is not very different from what we saw in the 2nd CSF, with three important differences: a) In each programme labour training resources are concentrated in specific priority areas, particular to the specific programme. b) In all programmes there is a separate measure focusing on gender equality and the employment opportunities of women. c) A new type of intervention is introduced namely the "Local Employment Initiatives". Although their content is vaguely delimited, we may describe them as mini multi-action programmes focusing on specific localities within the wider region. They are characterized by a high degree of decentralization and internal cohesion including actions of training for particular social or economic groups, social infrastructures, information and orientation structures, employment subsidies, self-employment incentives etc.

Transport, environmental and social infrastructure is by far the most frequent and generously financed type of intervention throughout the examined period and in all regional programmes. It is, thus, extremely difficult to isolate trends in the objectives or modes of intervention. The same types of projects are to be found in the earliest IMP programme and the latest 3rd CSF programme alike. Within each programme infrastructure measures can be found in all priority axes and sub-programmes. The infrastructural gap of Greek regions is obviously so huge, that twenty years of operational programmes did not reduce the demands, which local planners face, to devote the wide majority of resources again and again to basic infrastructure. Risking being too general, and somewhat arbitrary, we could make the following observations for each category of infrastructure projects.

The IMPs, facing a relative paucity of resources and lacking the sectoral operational programmes of the CSFs that followed them, could only contribute with small-scale interventions to reducing the infrastructure deficit. This is more clearly seen in transport infrastructure where many projects were simply sections of larger works implemented outside the programmes. The rest were primarily rural road networks and some port improvements. Extension of water and sewage networks represents the main type of environmental infrastructure under the IMPs. Rural health and social services centers, together with some university buildings, account for social and education infrastructure. Rural electrification is another field catered for by the IMPs, rarely met in later programmes.

Under the 1st CSF programmes all the small scale, IMP type of projects is moved to a separate sub-programme named “Special Development Programme for Municipal Authorities” (EAPTA), thus making room for more substantially sized interventions to be included in the other sub-programmes. Port and airport extensions and a substantial improvement of the national, interregional and prefectural road networks consist the main transport infrastructure. Hospital extensions and equipment, as well as primary and secondary schools are added to social and education infrastructure. Environmental infrastructure is more or less again restricted to the extension or renewal of water and sewage networks plus a few attempts to solid waste management and liquid waste treatment.

The 2nd CSF is characterized by several changes in its approach to infrastructure. Beyond the small-scale projects, which again are grouped in a new EAPTA sub-programme, larger regional projects are selected so as to combine and complement the national scale projects included in the sectoral programmes of the CSF. In the transport sector for example the regional road network is extended to link with the major motorway axes or to upgrade crucial interconnections with ports, airports etc. Complementary infrastructure is provided to the new regional hospitals built under the corresponding sectoral programme, while sewage network projects are only adopted if linked with biological treatment stations mostly financed by the E.U. Cohesion Fund.

With respect to infrastructure, the 3rd CSF closely follows the policy line of the 2nd CSF regional programmes. First of all, over ambitious planning and ill estimated budgets left for the 3rd CSF a significant number of incomplete projects to be finished. Moreover, especially in the transport sector, the need to complete missing links to national networks and to better utilize the newly created social and education infrastructure formulate the main objectives. With respect to programme structure, infrastructure is no longer grouped to a separate sub-programme but is included in the

thematic sub-programmes mentioned in the previous, thus improving the degree of internal cohesion. The same holds for small-scale projects since they are now found where they should, in the rural and disadvantaged areas sub-programmes rather than the detached municipal authorities sub-programme of the previous periods.

Earlier on in this paper we made the critical remark that programme priorities and operational objectives were stated without an indication of hierarchy at sectoral, geographic or other thematic level. However, an analysis of the financial resources attributed to the different categories of the above-discussed measures, is an indirect but very effective way to reach conclusions on shifting priorities between the different programme periods. This is the aim of the next section, which is based on an across programmes aggregation exercise by category of intervention.

Financial weight by type of intervention.

There is little doubt that the Table below confirms our comment, about infrastructure getting the lion's share of regional programme resources. Basic transport, social and environmental infrastructure alone reaches about 50 % of programme resources. If sectoral infrastructure for industry, tourism and agriculture is added the figure will probably approach to 70%. But the Table also offers a few more interesting insights. Among the categories of infrastructure transport is clearly the winner rapidly increasing its lead in the more recent programming periods. In the 3rd CSF, it alone approaches one third of all programme spending. On the other hand social and environmental infrastructure after enjoying a significant boost during the 1st CSF have later retreated towards their low IMP levels.

The Evolution of Financial Allocations by Category of Intervention

	IMPs	1 st CSF	2 nd CSF	3 rd CSF
Transport Infrastructure	13%	28%	26%	31%
Social & Educat. Infrastructure	5%	15%	10%	9%
Environment Infrastructure	6%	20%	8%	9%
Industry (incentives, services, infrastr.)	33%	4%	11%	8%
Tourism (incentives, services, infrastr.)	4%	5%	7%	9%
Agriculture & fisheries	18%	4%	15%	20%
Research and Development	3%	1%	1%	2%
Human Resources	9%	18%	12%	7%
Other	9%	5%	10%	5%

Total	100%	100%	100%	100%
<i>EAPTA & disadvantaged areas (*)</i>	<i>15%</i>	<i>14%</i>	<i>20%</i>	<i>9%</i>

Source: Processed data from the official financial tables of the programmes.

() The percentage of EAPTA & disadvantaged areas may not be included in the total because it contains actions already covered by the other categories.*

The IMPs were much more focused on productive activity than was the case in the following 1st CSF programmes. Although later programmes brought about some upgrading of their relative position they never reached the IMP levels. It is quite a surprise that back in 1986 programmes gave much more emphasis on industry compared to agriculture, while the opposite happens in 2000 when the primary sector is allocated more resources than industry and tourism together. It is also interesting that tourism, the big locomotive of growth for several Greek regions, never quite attracted the attention of regional policy makers, although the situation is gradually improving. Resources for R&D are negligible in all regional programmes and although the texts of more recent programmes devote much more space to research, innovation and technological advancement, the truth is that relative spending has not increased since the IMPs. Similarly, resources for labour training and other employment promoting policies do not follow the increased emphasis found in the more recent programmes, despite persisting high unemployment in the majority of Greek regions. Our final check has to do with the issue of intra-regional inequality and the concentration of funding to small-scale projects catering for the needs of disadvantaged areas. For this purpose we regrouped measures in accordance with their geographic orientation and the result is the last line of the above Table: the 3rd CSF programmes have reduced relative funding to less than half the 2nd CSF level.

Final Remarks

Over a period of twenty years the structure of regional programmes has certainly matured. Quantitative data and targets are more widely employed, priorities and operational objectives are extensively developed and the use of an (almost) SWOT analysis helps to better set the picture. External ex-ante evaluation reports seem to have had a positive impact.

Although techniques and funds have significantly expanded since the IMPs, resource concentration and internal programme cohesion have not equally improved. In many programmes, a lengthy list of measures with overlapping objectives are placed under thematic sub-programmes carrying imaginative titles, but without clear-cut criteria as to whether they really contribute in the most effective way to achieving the stated priorities.

The above underlined overwhelming emphasis on basic infrastructure, at the detriment of interventions supporting directly productive activity, has been going on for too long a period. Agriculture too, certainly faced and still faces very serious problems; whether this is an adequate justification for absorbing such a large and increasing portion of regional programme resources is an open question.

Technological research and innovation are more present in recent programmes as a verbalism rather than in essence. To a great extent they remain a foreign and “exotic” element, not integrated in the principle programme priorities. On the other hand environmental protection is approached more through hard infrastructure projects (mainly sewage networks and waste treatment stations) rather than as a combination of controls, incentives and technological change.

Our current research on programme implementation, though still in an early stage, indicates that many of the above ailments are not the results of ignorance or conservatism on the part of the planners. They rather reflect what is actually demanded on the ground from local populations and programme beneficiaries. Wherever we meet a more ambitious and innovative measure there are huge difficulties in finding users to absorb the allocated funds. In this sense it is probably more important to prepare a strategy for changing development culture and stereotypes, rather than pressing for a top down programme modernization.

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