“The impact of local government reforms in Greece: A critical Overview”

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Introduction

The aim of this paper is to present inertia, deficiencies and dynamics of a deeply rooted centralist system that is currently being challenged both by external (Europeanization, globalization) and internal (domestic demands) factors.

Questions

- Did decentralization and territorial reforms proved to be adequate in order to promote essential democratization (openness, citizens’ participation, transparency and accountability) of Greek state and political system?
- To what extend reform policies and implementation managed to improve coordination and performance of Greek administration and politics?
- Vice versa, did the existing structure and operation of Greek social, political and party hierarchies, at the local and the central level, managed to impede essential democratization and extensive decentralization?
Structure of the paper

1. The legacy of paternalistic centralism: A challenge for the young democracy
5. Positive expectations turned into mistrust and criticism
6. A new reforma era? The “Kallikrates” Project

Conclusions
1. The legacy of paternalistic centralism: A challenge for the young democracy

- Greek public opinion connected centralism to the authoritarian and paternalistic attributes of the post-civil-war Greek state. Furthermore, a widespread populist fiction blamed the “Athens-centric-state” for the plight of the province.

- By the late seventies, an unprecedented wave of “partification” seemed to challenge the kind of traditional “backstage localism” that characterised Greek politics from the very beginning of Greek statehood.

- On the other hand, the rising socialist party adopted a populist rhetoric in favour of the “non-privileged” citizens and the “neglected part of Greece”, while it declared local government to be one of the three “pillars of democracy”.

- Greek socialists quickly promoted functional and participatory reforms but seemed to hesitate in face of territorial reforms that would change political geography and seriously affect party and power balances. They were not really willing (or really able) to withdraw the dominant, historically rooted centralist patterns of state, party and social hierarchies.

- Unlike Spain and France, Greece was a small country, missing a strong and independent state bureaucracy, while Greek regional identities were rather weak (under the exception of Crete) and Greek political parties were far from reaching West European standards, in terms of internal party democracy.

- An overall assessment of this reform period (1982-1995) would easily come to the conclusion that functional decentralization and new forms of participation promoting legitimacy have been established, whereas efficiency has rather been neglected.

- new institutions of participation at all territorial levels, combined with decentralization, were able to create new arenas of politics and policies, new opportunities for careers and, above all, new possibilities for interest articulation that were particularly inviting for a wide middle class that had been excluded till 1981.

- Reforms have been top-down elaborated and imposed by the national government and the ruling socialist party. Municipalities, civil society organizations and/or grassroots’ movements did not have the capacities needed for a bottom-up process.

- Reformers took full advantage of several persistent cleavage systems that characterized the country since the civil war (1946-1949). In deed, the excluded left, the neglected rural areas, the under-represented lower and middle-classes, the demoralized civil/municipal servants as well as several local politicians joined the reform procedures, expecting more influence in the decision-making processes.

- Reform procedures have been incrementally implemented (step by step), in face of legalistic traditions addressed to a non-weberian public administration that could not respond properly, while local capacities were formed along clientelistic and/or corporatist networks.

- An individualistic political culture along with fragmentation of sectoral and local institutions and interests impeded comprehensive reform implementation.

- Up to 1996, reforms aimed at broadening legitimacy and fostering political stability, while efficiency was neglected. There were gains in consensus through participation broadening, as well as learning processes for societal and political actors. Efficiency would, sooner or later, become an important issue of the reform agenda.

- In 1996 both major political parties responded to problems of public acceptance and legitimacy through the election of new leaders by a wider electorate. The “end of the post-dictatorship period” were announced.

- The issue of “renewal” was combined to “openness”, since both parties were accused of being closed systems ruled by selfish party elites, of acting according to “spoils system”, of being unable to catch up European requirements and modernize the country.

- Throughout reform procedures, patterns of conflict responded to cleavage systems. Modernization-oriented forces, encouraged through processes of Europeanization, could overcome traditionalist resistance mainly formed within the lines of conservative and communist parties, but also existing inside the ruling socialist party.

- Great majority of local leaders supported territorial reforms, being aware of weak efficiency within the existing structures and expecting new political career paths within local government and beyond.
### Distribution of Municipalities by Orders of Magnitude before (1996) and after (1999) the Implementation of the 'Capodistrias' Plan of Amalgamations

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

- Obligatory amalgamations of municipalities, combined with state restructuring at the regional level (since 1998) were expected to create economies of scale and offer new possibilities for modern policies and actions in public administration.

- The gradual shift towards a managerial approach within public administration responded not only to strong pressures from Europeanization and globalization but also to complying new articulations (aggregation) of entrepreneurial and sectoral interests.

- The target of “modernization” has been, however, technocratically perceived, thus undermining legitimacy and the mobilization of civil society.

- Furthermore, persistent sectoral fragmentation undermined efforts for territorial and participatory interest and policy articulation.

- In this way, reforms could not activate the existing socio-political capacities and, moreover, create the necessary critical mass of new abilities that would cause a paradigm shift.

- Traditional hierarchies could, therefore, undermine the emerging dynamisms that proved to be too weak to transform the main features of the existing socio-political landscape.

- Party politics and political culture of the new right in Greece was based on a symbolic perception of tradition as the backbone of social cohesion. Emphasis was given to the role of local politicians in personalizing and expressing “local society and local traditions”.

- Several minor changes have been promoted, following a legalistic and “proper-household” approach. Legal and fiscal controls on local government have been enlarged and stressed. On the other hand, government promoted Public-Private partnerships but rather restrained from privatization.

- After victory in general elections of 2007, territorial reforms emerged on the agenda. Besides Europeanization, pressures for territorial re-scaling can also be related to bigger business interests and some other influential social or/and political actors that prefer to act in bigger-scaled spaces. Small-scaled and multi-level structures are considered to create a territorially extremely complex environment where political intermediation, political decision and policy implementation are too slow and too costly.
Once more, reform capacity of Greek conservative governments proved to be weak. Reforms would contradict fundamental Greek conservative perception of local government as provider of services at local level ("state’s little helper") and local representative of central state and political system.

In fact, a clear, whereas not verbally expressed policy option of the ruling majority was to restrain local government from partnerships that are important for development policy making. State and centralized hierarchies remained the privileged partners of professional and entrepreneurial interests, while local government action was tied down to residual tasks.

This option corresponded to traditional attitudes of conservative forces that prevailed during the fifties and sixties imposing rigid centralization combined with sectoralisation.

It was a trend that was boosted through the fact that Local Government was discredited even in the wider public, because of reproaches for miss-management, maladministration and corruption.
5. Positive expectations turned into mistrust and criticism: (a) Citizen’s views on local government

- Strong and positive expectations that local government and decentralization would lead to democratization and better public services at the local level have not been fulfilled.
- New institutions and new arenas of power have been, however, colonized by centralistic and hierarchical political parties, discouraging wider participation and controlling most of selection procedures for candidates at the local level.
- While access to decision makers and services became easier for the citizen, public opinion is strongly disappointed about maladministration, corruption and partisanship of local authorities.
- Several opinion polls show that local government is considered as the closest public institution to the citizen, but also an institution bearing characteristics of corruption and discriminating practices.
- Many elected officials in local government seem to misunderstand their democratic election as a free pass for selfish, partisan, clientelistic or even illegal practices. There are even cases, where local leaders try to justify their unscrupulous behaviour as a kind of local resistance against state bureaucrats and the “Athens-centric” governments.
Influence of several institutions (2005)

<table>
<thead>
<tr>
<th>Institution</th>
<th>STRONG INFLUENCE</th>
<th>D/KN</th>
<th>NO INFLUENCE</th>
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<td>Government</td>
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<td>9.7</td>
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<td>3.928</td>
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<td>European Union</td>
<td>78.7</td>
<td>12.7</td>
<td>4.7</td>
<td>3.9</td>
</tr>
<tr>
<td>USA</td>
<td>76.4</td>
<td>11.7</td>
<td>8.6</td>
<td>3.3</td>
</tr>
<tr>
<td>Media/TV</td>
<td>73.3</td>
<td>17.2</td>
<td>6.2</td>
<td>3.4</td>
</tr>
<tr>
<td>Political parties</td>
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<td>17.8</td>
<td>6.9</td>
<td>3.1</td>
</tr>
<tr>
<td>Parliament</td>
<td>71</td>
<td>18.5</td>
<td>6.6</td>
<td>3.9</td>
</tr>
<tr>
<td>Media/Press</td>
<td>69.8</td>
<td>20.1</td>
<td>6.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Companies</td>
<td>67.6</td>
<td>18.7</td>
<td>9.7</td>
<td>4</td>
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<tr>
<td>Greek companies</td>
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<td>23.1</td>
<td>9</td>
<td>3.9</td>
</tr>
<tr>
<td>Local Government</td>
<td>52.2</td>
<td>28.6</td>
<td>15.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Church</td>
<td>51.8</td>
<td>24.6</td>
<td>19.9</td>
<td>3.7</td>
</tr>
<tr>
<td>Trade Union</td>
<td>46.2</td>
<td>32</td>
<td>18.1</td>
<td>3.7</td>
</tr>
<tr>
<td>People/Public Opinion</td>
<td>42.8</td>
<td>28.5</td>
<td>24.6</td>
<td>4.1</td>
</tr>
<tr>
<td>President</td>
<td>38.4</td>
<td>31.3</td>
<td>26.2</td>
<td>4.1</td>
</tr>
<tr>
<td>NGO</td>
<td>33.5</td>
<td>35.4</td>
<td>25</td>
<td>6.1</td>
</tr>
<tr>
<td>Universities</td>
<td>29.5</td>
<td>32.9</td>
<td>33.2</td>
<td>4.4</td>
</tr>
</tbody>
</table>
5. Positive expectations turned into mistrust and criticism: (b) Negative records for local government

According to the number of cases:

- **Greek Ombudsman**: Second tier is Nr. 1, first tier Nr. 2 in maladministration
- **Public Administration Inspectors**: Second tier is Nr. 2, first tier Nr. 3
- **General Inspector of Public Administration**: First tier is Nr. 1, Second tier is Nr. 2
6. A new reform era?
The “Kallikrates” Project

- Newly elected government quickly undertook some initiatives concerning public administration (“transparency” rules: All regulatory/administrative acts should be available in Internet – a law restored control of independent authority “ASEP” over recruitment and contracting of employees)

- According to the “Kallikrates” Project, municipalities should merge to 370 units, second tier would “move” upwards to the regional level (13 Regions) and deconcentrated state administration would be restrained to 5-7 “General Administrations. Checks and balances, transparency and accountability would be the outcome of a new institutional design for local government. E-Government, performance indicators and new accounting systems should improve service delivery. Decentralisation of responsibilities should be combined to the allocation of human and financial resource. Legal supervision should become the task of a new, independent agency with specialized staff.

- It is the first time that a restructuring of both tiers of local government goes along with extensive decentralisation and a new design of deconcentrated state administration. It seems to be a particularly important reform project for the Government. It is characteristic that even the national stabilization plan that has be presented to the EU highlights the “Kallikratis” project, as a major effort of modernization.

- However, this project stands both under fiscal and time pressure (the next local elections will take place in November). The Government will have to foster a strong reformatory alliance in order to face different pressure groups (civil servants, localists etc.) and a great part of local and national political personnel that feel to be threatened through the reform. Ongoing resistance and blockades against some other reforms (tax and social security systems, immigration policy etc.) could tie down a big part of political capacities urgently needed at the “Kallikrates” front. The final outcome is an open game.
Conclusions

- Right after the fall of the dictatorship, democratization and openness of Greek state used to be a major public claim. Local government has been regarded as an important political arena and a key figure, towards democratization.
- Socialist governments from 1982 till 1995 drew on Local Government as an instrument of political mobilization and social integration.
- Dynamics of democratization did not, however, substantially affect political parties, who remained centralized, personalized, leader-dominated and hierarchical organizations, often suppressing party internal dissidents and opposition.
- Local societies proved to be rather weak (in terms of local political identity and social capital), trapped in traditional vertical networks of interest intermediation. In this way, reformatory alliances proved hard to articulate and act.
- Citizens’ views on local government reveal proximity to elected officials and a relatively high level of trust. At the same time, there is strong criticism, due to the lack of transparency, features of maladministration and corruption.
- After a period of stagnation, the newly initiated “Kallikrates” project seems to mark the most ambitious reform effort since 35 years. Conditions of extreme fiscal and time pressure, combined with strong resistance of pressure groups could undermine the success of this reform.